Austria	Sch. 15	Indonesia	Rp 1600	Philippines	Pes. 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr 35	Japan	Y550	S. Arabia	Rls 6.00
Canada	C$2.50	Jordan	Fils 500	Singapore	S$ 4.10
Denmark	DKr 7.00	Kuwait	Fils 500	Spain	Pta 95
Egypt	E£1.00	Lebanon	£L 5.00	Sweden	SKr 6.50
Finland	Fmk 5.00	Luxembourg	LFr 35	Switzerland	SwFr 2
France	FFr 5.00	Malaysia	Rm 4.25	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 130
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
India	Rup. 15	Norway	Nkr. 8.00	U.S.A.	$1.50

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Friday March 18 1983

D 8523 B

El Salvador raises the ghosts of Vietnam, Page 4

NEWS SUMMARY

GENERAL

American nuclear freeze move

The U.S. House of Representatives yesterday cleared the way for approval of a resolution calling for a freeze on the nuclear weapons of the two superpowers.

The House defeated Republican amendments aimed at giving President Ronald Reagan more power to continue his arms build-up, but put off the final vote until next week after 13 hours of often angry debate. Speaker Tip O'Neill forecast a majority of at least 60 for the bill.

Such a result would be the greatest triumph yet for the growing U.S. "freeze" movement, but would not commit the Administration to any specific action.

Gibraltar hopes fade

Hopes that the border between Gibraltar and Spain might open fully this spring suffered a setback when Britain and Spain failed to agree over the interpretation of their joint Lisbon declaration of April 1980.

Israel accused

U.S. Marine Corps Commandant Robert Barrow has written to Defence Secretary Caspar Weinberger saying he believed Israeli forces were threatening the lives of U.S. peacekeeping troops in Lebanon, according to a U.S. newspaper report.

Compensation claim

The U.S. Government has been sued for $24bn in compensation for Japanese Americans interned during World War II.

Border patrol

Italy has let Transylvanian lynxes loose in a national park to stop rabid foxes crossing the border from France.

Surinam–Libya pact

Libya and Surinam signed a co-operation pact that condemns the U.S. and professes solidarity with Cuba, Nicaragua and Grenada.

Doctor charged

The former head of the French prison hospital service has been charged in connection with the release of drug ring bosses from jail on health grounds. Page 2

Zapu statement

The acting head of Mr Joshua Nkomo's Zapu party said he supported a one-party state in Zimbabwe and the merger of the party with premier Robert Mugabe's Zanu-PF. Page 5

Turin council quits

The Left-wing council of Turin has resigned as a result of a corruption scandal. Page 3

Gulf oil spill

About 100,000 gallons of crude oil have leaked into the Persian Gulf from two Iranian offshore wells, one hit by Iraqi forces, one damaged by a ship.

Spying charge

An American woman has been charged in Berne with spying for Libya.

Briefly...

Widow of U.S. railway magnate left most of her $124m will to the poor.

Hungary: 196 footballers were suspended over match-rigging allegations.

East Germany's only economics newspaper closed.

Chile expelled two Irish priests for alleged political activity.

Los Angeles murderer of six demanded to be executed.

BUSINESS

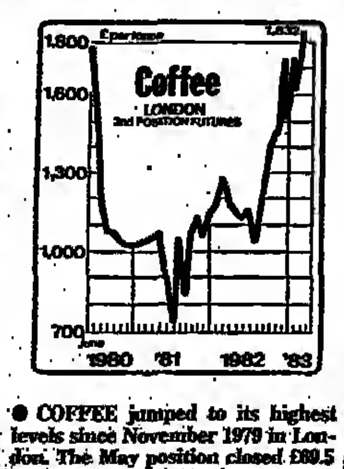
BP may accept lower oil price

● BRITISH PETROLEUM hinted it might accept a modest cut in North Sea oil prices to avoid a pricing battle with Opec countries, which may open the way to a new North Sea reference price of $29.50 to $30 a barrel. Page 18

● STERLING fell 60 points to $1.502, to DM 3.5875 (DM 3.595) and SwFr 3.0925 (SwFr 3.095) but firmed to FFr 10.37 (FFr 10.325) and Y359.25 (Y358). Its Bank of England trade-weighted index was 79.4 (79.3). Page 38

● DOLLAR rose to DM 2.387 (DM 2.383), SwFr 2.0575 (SwFr 2.0525), Y239 (Y237.4) and FFr 6.905 (FFr 6.85). Trade-weighted index was 120.6 (120.4). Page 38

● GOLD closed $4 lower at $415.5 in London; $2.5 lower in Frankfurt at $416.75, and $2.5 lower in Zurich at $416.25. Page 35



● COFFEE jumped to its highest levels since November 1979 in London. The May position closed £80.5 up at £1,832 ($2,752) a tonne. Page 35

● WALL STREET: Dow Jones index closed 0.97 up at 1,116.97. Page 31. Full share listings, Pages 32-34

● LONDON: FT Industrial Ordinary index fell 10.3 to close at 661.0. Government securities were steady. Page 31. FT Share Information Service, Pages 36, 37

● TOKYO: Nikkei Dow index rose 25.01 to 8,195.4. Stock Exchange index gained 1.62 to 603.88. Pages 31, 34

● HONG KONG: Hang Seng index shed 16.81 to 1,007.26. Pages 31, 34

● AUSTRALIAN all-shares index dipped 3.5 to 510.4. Pages 31, 34

● FRANKFURT: Commerzbank index advanced 7.8 to 865.4. Pages 31, 34

● ATARI, the Warner Communications' subsidiary which makes video games and home computers is to enter the home telecommunications market with a line of micro-processor based systems.

● INDIA'S trade deficit narrowed from Rs 41.09bn ($4.16bn) to Rs 40.6bn in the first nine months of the financial year to April.

● U.S. Internal Revenue Service is to extend next Monday's deadline by which foreign investors in U.S. real estate must apply for "security agreements" under the Foreign Investment in Real Property Tax Act.

● JAPAN'S economy grew by 3 per cent last year, its worst growth performance for seven years, but still ahead of its main industrial competitors. Page 5

● CADILLAC FAIRVIEW, Canadian property company, is considering selling part of its 50-storey skyscraper under construction in New York's Third Avenue.

● MO OCH DOMSJÖ, Swedish pulp and paper group, showed a pre-tax loss of SKr 174m ($23.4m) last year compared with earnings of SKr 25m in 1981.

● IRISH central bank raised its prime rate 2½ percentage points to 17½ per cent.

Bundesbank cuts rates and resists revaluation call

BY OUR FOREIGN AND FINANCIAL STAFF

The Bundesbank, the West German central bank, cut a full percentage point off its leading interest rates yesterday, reducing the Lombard and Discount rates at which it lends to the banking system to 5 per cent and 4 per cent respectively.

At the same time Herr Karl Otto Pöhl, the Bundesbank president, made clear that the West German authorities were determined to resist pressure from the French Government for a unilateral revaluation of the D-Mark within the European Monetary System (EMS).

In Paris, nevertheless, foreign exchange dealers were expecting a realignment of currencies within the EMS this weekend. The reasoning behind this is that President François Mitterrand would like to get it out of the way before the European summit of heads of government opens on Monday and before he makes his scheduled television address to the nation on Wednesday.

Differences within the French Government over the shape of a post-devaluation economic package remain wide, however, and candidates for the premiership of a new administration, including the present Prime Minister, M Pierre Mauroy, are reluctant to bear the political odium of carrying through a third devaluatioo of the franc under Socialist rule.

The communist and radical socialists do not want to see living standards and jobs jeopardised by oew anti-inflationary measures. Officials thus warned yesterday that the political manoeuvring could go on for some time.

In a television interview last night, Mr Jacques Delors, the French Finance Minister, cooﬁrmed that France wanted a revaluation of the D-Mark and no devaluation of the franc.

Blaming the tensions within the EMS on the sharp strengthening of the D-Mark, he said it was up to the Germans "to take a decision" over a realignment. He left the impression that strong differences remained with West Germany over the EMS.

In Frankfurt Herr Pöhl stressed that the recent tensions within the EMS, which have forced European central banks to spend millions of dollars supporting weaker currencies, in particular the French franc, should not be attributed to the strength of the German currency.

"We firmly resist the contention that the tensions within the EMS are a D-Mark problem." Realignments io the EMS in the past two years had more than offset inflatioo differentials betweeo the countries.

"On the other hand there are EMS members, above all ones, who bave for a long time had great difficulties, a big imbalance in their current accounts, heavy currency outflows and beavy losses of currency reserves."

But Herr Pöhl acknowledged that the Bundesbank also had to take iota account its vital interest in maintaining a functioning EMS system.

If the Bundesbank president had intended to dampen speculation oo an EMS realignment, his remarks appear to have had the opposite affect no the markets. In Paris the Freoch franc hit its EMS floor

Continued on Page 18

Money markets, Page 38; UK money supply, Page 7

Finnish paper group to build £135m mill in UK

BY ANDREW FISHER IN LONDON

UNITED PAPER Mills of Finland is to build a £135m ($202m) pulp and newsprint mill in the UK. The North Wales mill will be the largest ever project in the British paper-making industry, which has recently been in serious decline.

UPM's decision to go ahead with the investment after announcing last June it was contemplating the 180,000 tonne-a-year mill has been swayed by the UK Government's provision of special grants totalling £30m.

UPM will build its integrated mill at Shotton, on the site of a disused facility of British Steel Corporation, which has cut its activities in the town sharply.

The Finnish project is the second by a foreign company in the UK newsprint market and the largest outside North America. Consolidated-Bathurst of Canada is reviving the mill at Ellesmere Port in Cheshire formerly owned by Bowater

At present, Bowater and Reed account for less than 8 per cent of the UK market in newsprint; consumption last year dipped to just over 1.3m tonnes from 1.4m tonnes.

The new UPM mill will employ 270 people, with a further 1,000 to be employed in transporting and harvesting the timber, of which 450,000 tonnes a year will be needed, mostly from Wales.

Once this and the Consolidated-Bathurst project are fully in operation, UK output will be over 500,000 tonnes, making up a third or more of demand. Mr Norman Lamont, Industry Minister, said the UPM investment was "a big vote of confidence in the future for UK paper-making."

UPM will have the latest thermo-mechanical pulp process, used in two of its Finnish mills. The pulping and energy-saving techniques will mirror those of its Jämsänkoski plant in Finland, though this does not make newsprint.

The process means that far less chemical pulp, which is costly and usually has to be added to mechanically ground pulp for extra strength, is needed in most paper. For newsprint, none is needed at all.

Mr Lamont said the UPM project would re-establish the UK as the second largest EEC newsprint producer. The government aid is in the form of a regional development grant for 22 per cent of the investment.

UPM said finance would be raised internationally, with Nordic Bank as advisers. Last year, the Finnish company supplied oearly 200,000 tonnes of paper and paper products to the UK. It has a turnover of FM 2.9bo ($547m) and employs 8,000 people.

Background, Page 8

US may start anti-trust probe into North Atlantic air fares

BY WILLIAM HALL AND PAUL TAYLOR IN NEW YORK

THE U.S. Justice Department is considering launching an anti-trust investigation into North Atlantic air services after allegations by Laker Airways. The now defunct UK airline claims that major U.S. and European airlines conspired to drive it out of business.

Mr Christopher Morris, Laker Airway's liquidator, last November launched a $1bn lawsuit against leading North Atlantic airlines and aerospace companies on similar charges.

The case, regarded by lawyers as the most complex in recent aviation history, centres on whether Laker's competitors violated U.S. anti-trust laws by conspiring to destroy Laker. It is alleged that these competitors – British Airways, British Caledonian, Pan American, Trans World Airlines, Lufthansa and Swiss Air – offered high-cost services at prices below their cost to force Laker out of the North Atlantic route.

The Laker court case is still to be heard and the European airlines are anxious that any legal action taken against them should be heard in the UK courts rather than in the U.S. courts.

The Justice Department has refused to speculate that its interest in the North Atlantic market stems from last year's collapse of Laker Airways. But an official has confirmed that an anti-trust inquiry into the North Atlantic route is being contemplated.

Michael Donne, adds: Mr Iain Sproat, UK Aviotion Minister, told the House of Commons earlier this week that the Government was already involved in discussions with the U.S. on the proposed anti-trust investigation into North Atlantic air services.

The Laker lawsuit bas aroused some opinioo in the U.S. that the entire North Atlantic air fares situation is something of a "closed shop" and that fare deals reached among airlines are against U.S. consumers' interests.

These opinions are disputed stroogly in the UK, where it is pointed out that transatlantic fares have until recently been governed by international discussioo between the U.S. and UK Governments under the Anglo-U.S. Bermuda Two bilateral air agreemeot. All fares applied oo the route up to late last year were the result of such bilateral discussions.

Last midsummer, after negotiations betweeo the U.S. Government and the European Civil Aviation Conference (representing most European governmeot-spoosored civil aviatioo authorities), it was agreed in a Memorandum of Understanding that for the first time for some years, direct inter-airline negotiations on fares could be undertaken. The initial discussions started late last year.

The U.S. anti-trust attitude, therefore, is puzzling to the UK.

German coalition agrees to reduce spending

By Jonathan Carr in Bonn

THE WEST German Government partners who emerged victorious from the general election on March 6 have reached broad agreement to cut government borrowing and lighten industry's tax burden next year.

The accord reached yesterday implies that there will be cuts in some social benefits – perhaps affecting pensioners and the unemployed – to help hold down government spending, but no details were released.

The agreement came on the first day of negotiations between the three parties of Chancellor Helmut Kohl's centre-right alliance.

Broadly, it is fully in accord with the election campaign pledges of all three partners gradually to reduce the role of the state and to encourage the private sector after 13 years of government led by the Social Democrats.

Participants in the talks said it was agreed to reduce the federal government's net borrowing requirement next year clearly below DM 40bn ($16.79bn) – compared with a scheduled DM 41.5bn (less than 3 per cent of GNP) this year.

While that reduction does not appear to be large, the Finance Ministry has calculated that net borrowing might touch DM 45 bn in 1981 unless firm action is taken.

Further, it was also agreed yesterday that no taxes should be raised in 1984 – while industrial enterprises should benefit from (so far unspecified) tax reductions.

The implication is that the three parties have agreed on substantial spending cuts – possibly well over DM 5bn although it is not clear where the axe will fall.

The accord marked a surprisingly good start to coalition negotiations which, however, still have many hurdles to clear if the partners are to conclude a full coalition pact by the weekend.

One reason for the quick agreement on broad financial policy lines is that some relatively small – but hotly contested – problems in this sector have been syphoned off for separate consideration by experts. However, the liberal Free Democrat Party (FDP) – the junior partner in the coalition – still faces some

Continued on Page 18

U.S. current account swings $8bn into red

BY ANATOLE KALETSKY IN WASHINGTON

THE CURRENT accouot of the U.S. balance of payments swung ioto the red in 1982 for the first time for four years and is beading for a record deficit of $20bn this year, the Commerce Department said yesterday.

The figures also suggested that an unprecedented jump in unrecorded private capital inflows into the U.S. may be a major factor underpinning the dollar.

The 1982 deficit of $8.09bn announced yesterday, the biggest since the record $14.8bn deficit in 1978, resulted from a very sharp deterioration in the balance of merchandise trade which began in the second balf of last year. The current account deficit io the fourth quarter rose to $8.1bn, after a revised $5.2bn in the third quarter. In the first balf of 1982, the current account registered a surplus of $3.3bn. The trade deficit soared from $11.7bn in the first half of the year to 24.6bo in the second half.

Commenting on the figures, Mr Robert Dederick, the Commerce Department's undersecretary for ecooomic affairs, predicted that o curreot account deficit of over $20bn is likely for all of 1983, althougb there may be a temporary improvemeot in the current quarter as a result of lower oil imports.

The main cause of the curreot account deficits is the impact of the strong dollar on U.S. exports and imports. The Commerce Department's report hints at one possible reason for the U.S. currency's extraordinary strength last year. It shows an unprecedented $41.9bn of capital inflows into the U.S. in 1982 under "errors and omissions."

These probably reflect a strong ioternational demand for dollars" due to "unsettled financial, political and military conditions abroad," the Commerce Department says. In 1981, errors and omissions in the balance of payments came to only $25.8bn.

On a quarterly basis, the errors and omissions jumped from an average of $5.5bn in the first half of 1982 to $15.3bn in the second half, reinforcing the impressioo that there have been large unrecorded capital inflows into the U.S. as a result of the ioternational banking crisis which developed after Mexico announced a moratorium on its external debts last autumn.

Capital transactions showed inflows into the U.S. increasing from $78bn io 1981 to $84bn in 1982, while outflows rose from $109bo to $118bo. There was a big jump in U.S. bank deposits held by foreigners. These increased by $63bn in 1982, after rising by $41bn in 1981.

U.S. official reserve assets increased by a further £5.0bn in 1982, after a $5.2bn increase in 1981. There were substantial increases in the U.S. Treasury's holdings of Mexican pesos and Brazilian cruzeiros as these countries drew on currency swap lines with the U.S. government during their debt crises.

Call for concerted reflation in Europe

BY MAX WILKINSON IN LONDON

A CONCERTED programme of reflation in Europe and the rest of the developed world was proposed yesterday by a group of ecooomists who claim the support of many Socialist leaders in Europe, including Britain's Labour Party.

The plan was up by an international group of politicians, trade unionists and economists, the Forum for International Political and Social Ecooomy, and suggests two main options for recovery which, they consider, would lead to a reductioo in unemployment.

The best option, which the group recognises would be politically difficult, would be for a concerted programme of increased government spending througbout the develop world.

This would get round the problem of individual countries' reflation programmes, where balance of paymeots crises may be precipitated by increased imports not matcbed by any compeosating rise in exports.

This was the constraint which forced the Socialist Governmeot in France to reverse many of its expansionary policies a year ago.

If all countries reflated at once, the group says that this constraint would be removed. Each country

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Editorial comment, Page 16

CONTENTS

EUROPEAN NEWS

Nato body will press U.S. over missiles

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN NEW YORK

THE U.S. will come under renewed pressure to make fresh proposals et the Geneva nuclear missiles talks when senior Nato officiels meet today in Brussels in the Special Consultative Group. This is the Nato body responsible for monitoring the negotiations to limlt U.S. cruise and Pershing 2 missiles and Soviet SS20s in Europe.

The SCG unites senior foreign and defence officials from all Nato governments. The governments in Britein, West Germany and Italy, where tbe missiles are to be deployed from the end of this year, have recently been urging the U.S. to drop the so-called "zero option"—under which there would be no deployment of the new U.S. missiles provided all existing equivalent Soviet missiles are removed—and to propose an agreement involving some deployment of the U.S. missiles and some reductions in the Soviet ones.

However, divisions within the U.S. Administration over whether or not to make a new offer at this stage seems certaln to mean that today's SCG meeting wlll be a frustrating one, especially for European delegations.

The U.S. State Depertment is *understood to believe that* the time may be ripe for Presldent Ronald Reagan to authorise new proposals, at least as an interim stage towards a "zero" solution. The Department is said to support the erguments of the European allies that, in the wake of the West German election and confirmation that Bonn intends to go ahead with missile deployment, Moscow might be prepared to negotiate seriously at Geneva.

The State Department is believed to favour "an equitable and balanced" agreement where the U.S. and the Soviet Union would each deploy some 300 warheads on intermediate nuclear range weapons in Europe.

However, the Pentagon is still apparently wedded to the zero option. Additionally, it does not appear to believe that the Soviet Union is ready to negotiate seriously even if the U.S. offer were changed.

The SCG is powerless to resolve these differences though Mr Richard Burt, its U.S. rhairman, is likely to he left in no doubt ebout European anxiety at the stalemete in the talks. European governments would have liked the U.S. to take the initiative in Geneva before the talks go into recess for two months on Marcb 28.

The subject could well be aired again at next week's meeting in Portugal of Nato defence ministers in the alliance's Nuclear Planning Group, though the NPG is more concerned with nuclear weapons deployment than with arms talks.

The NPG is expected to study an interim report of the High Level Group on the possibility of Nato withdrawing from Europe surplus short-range hattlefield nuclear warbeads.

Pressure for surh a move has gathered force in the U.S. following the disclosure that a Nato parliamentary report bas recommended that several hundred warheeds rould safely be withdrawn

However, Pentagon officials *have discouraged suggestions* that there could he eerly progress.

Dutch coalition denies cruise site chosen

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Coalition Government has denied vehemently a report in a leading left-wing newspaper yesterday that e site bad already been chosen in the Netherlands for the deployment of 48 U.S. cruise missiles.

The report gave rise to fears yesterday that the Dutch peace movement es a whole, which bas shown lt can bring close to 500,000 people on to the streets in support of its cause, would suddenly have a "Greenham Cummon" of its nwn to act as a focus for protest.

De Volkskrant newspaper said yesterday that the cruise missiles were to be sited on an airfied at De Peel, on the border between the southern provinces of Brahant and Limburg. It hased its information on a confidential report drawn up by the defence committee of the U.S. House of Representatives.

The document, outlining nuclear weapons deployment possibilities in Western Europe, rame into the possession of Mr Jan Faber, secretary of the Dutch Inter-Church Peace Council, a lberal Protestant organisation dedicated to keeping the Netherlands nuclear-free.

Mr Job de Rntier, the Dutch Defence Minister, told Parliament that De Peel bad not been chosen. He accused Mr Faher of behaving irresponsihly by *failing to verify his information.*

No sites bad been selected end no decision was expected before May next year. Even then, nothing would go forward without a government decision on the whole question of installing the weapons this continued to depend on the progress of the East-West arms reduction talks in Geneva.

Defence Ministry officials said yesterday that the U.S. report was merely an outline of the possibilities for the planned deployment nf 572 cruise and Pershing 2 missiles in Europe by 1986.

The document, which lt is admitted was not previously known to the Dutch Government, refers to the need to begin preparation of sites by August next year and to the need for hids from construction companies by next May.

● Bnud Lubbers: government cannot decide hefore May

Drugs scandal in Marseilles takes on national dimensions

BY PAUL BETTS IN PARIS

THE FRENCH have elways enjoyed a good scandal. Marseilles, the hlg colourful port on the Mediterranean often compared to Byzantium or Neples and frequently to a certain stereotype of Chicago, is at the centre of one which is assuming national dimensions.

Even measured by Marseilles' standards, it was already a considerahle scandal. It helped *fuel a particularly* fierce, and at times violent, local election campaign last week in wbich M Gaston Defferre, the Frencb Interior Minister and the veteran Socialist mayor of a rity he has controlled for the past 30 years, fought for his political life.

But on Wednesday evening the scandal took on broader political proportions. This followed the decisinn of a Marseilles magistrate to rharge with criminal offences Dr Solange Trolsier, an activa member of the *wartime French* Resistance, holder of the Croix de Guerre, a former Ganllist MP and the head until last Jannary of tha medical servlres of the Frencb prison system.

The scandal hes been ralled "the affair of the medical grares," to translate the Frenrh literally. It involves the case of a leading member of the Marseilles' drugs underworld—"la milieu" nr the "French Connection" as lt is popularly known—wbo was released from prison after receiving a duhlous medical certificate claiming he suffered from e rare and dangerous form of cancer.

Robert Kechlchlan, the heroine dealer sentenced to jall in 1980, was released from prison in July 1981 by the magistrate then in charge of the case, Judge Pierre Micbel. He subsequently disappeared and Judge Michel was shot dead in the streets nf the city three months later.

The scandal exploded a few months ago when a new magistrate, Judge Christian Raysseguier, decided to reopen the rase on suspicion thet the medical certificate issued to the heroin dealer was bogus.

Since the case was reopened, Dr Alain Colomhani, the senior medical officer of the Baumettes prison ln Marseilles where the drugs dealer was being held, bas been remanded in custody on charges of issuing a false medical certificate. Two other medlral officers were charged with similer offences last week.

The local underground boss did suffer from e form of ekin cancer but it seems it was far from serious. *His* lawyers petitioned the magistrate to release the prisoner, however, on the grounds that he suffered from e serious furm of cancer. The petition was backed up by e certificate from Dr Colombani.

Jodge Michel wae not wholly ronvinced, it seems. He thus *asked for a second opinion from* the two other medical officers, Dr Bernard Mariotti and Dr Raymond Mazaud. They confirmed the drugs dealer's complex illness, although they now claim they never issued such an opinion and thrlr certificate is e fake.

The judge was still worried apparently. He wrote to Dr Troisier asking that the prisoner be transferred from Marseilles to the Fresnes medical centre for convicts in Paris. Dr Troisier wrote back saying the *Paris facility* was not equiped to deal with such a case. As a result, Jndge Michel reluctantly released the prisoner.

Dr Troisier's lawyer yesterday denied all the charges against the doctor, who is a member of the council of the opposition RPR party led by M Jacques Chirac, the mayor of Peris.

The affair, however, has been blown up even further because the authorities *in Marseilles now* suspect a wldespread consplracy ln the city's medical and prison system, which has operated for years and enabled convicted prisoners to be set free on purely medical grounds.

Conservatives challenge for a place in Finland's next Government

BY LANCE KEYWORTH IN HELSINKI

THE FINNISH General Election on Sunday and Monday is of special importance to two nf the seven parties contesting the 200 parliamentary seats—the Communists and the Conservatives.

The Finnish Communist Party, weekened hy internel dissension and excluded from the *ruling coalition* of Prime Minister Kalevi Sorsa *in* January, *may* lose more ground among voters end find itself in the political wilderness for the next four yeers.

The Conservative Party, already the second largest after the *Social Democrats, has* been lnexorably strengthening its position over the past few years and is now seriously challenging for membership of the next Government.

The main interest in the election lies less ln the make-up *of the new Parliament* than *in* the *shape* of the new Government that will take over from the present three-party coalition of Social Democrats, Swedish People's Party and Centre-Liberal Party.

The coalition formally took office 13 months ago when Mr Mauno Kolvisto succeeded the ailing Mr Urho Kekkonen as President.

Until the Communists were dismissed two months ago, they had been the fourth member of the *coalition, which has* now ruled with insignificant changes since the last election in 1979.

The Communist Party was dropped because it would not follow the rules of the Parliamentary game and voted against its own colleagues in the *Cabinet* on a defence appropriation. It was not the first time the party had rejected the Government whip but it may be some time before it will have the opportunity to do so again.

Apart from ignoring the rules of the game, the party is badly split. Its minority faction (holding 11 of the party's 38 seats in Parliament) is die-hard Stalinist and even the more moderate majority is divided by the emergence nf an anti-Stalinist "third force."

On lop *of this, six of the* party'a members are socialist leftists, not card-carrying Communists at all. There is a real possibility that two separate Communist parties may emerge in the lifetime of the new parliament.

The Conservatives have almost douhled their popular backing since they were relegated to the political wilderness in 1966. This is partly because they bave been in opposition for so long, and partly because they are no *longer* held to be "*suspect*" in their support of Finland's official foreign policy.

If they can now strengthen their position as the second largest party, lt seems unlikely that they can be ignnred any *longer. Only the Communists* still insist that they will not serve in e coalltion with the Conservatives, and the Centre party would welcome them back.

The Social Demcorats however, ere not enthusiastir ahout the prospect. *Mr Sorsa* considers them eligihle for office, but emphasises that experiments elsewhere in Europe at co-operation between the Right and the Social Democratic Left have not been successful.

Opinion polls since the turn of the year have shown a consistent trend of gains for the Social Democrats and Conservetives and losses for the Communists. The fourth hig party, the Centre Party (*fnrmerly Agrarian*), whlrh merged last year with the tiny, dying Liheral Party, will probably just hold its own.

The Swedish Penpla'a Perty, which represents the Swedish-speaking minority in the country, should also maintain *its representation and* the nther small parties, the Rural Party whlch is e breakaway from the Centre Party, and the Cbristian League, a splinter of the Conservative Party, might gain a seat or two.

The smaller parties have often sprung surprises in Finnish Parliamentary elections, but the ragbag of "alternative" parties are unlikely to emerge with a seat.

Whatever the shape of the new Government it will inherit *some serious* economic problems. These inrlude an inflation rate of around 10 per cent, unemployment which mey top 7 per cent in the rurrent year, a swelling public sector borrowing requirement and its corollaries, the need to halt the *growth of public expenditure* and to find new sources of revenue, such as *increased* taxes.

Foreign policy was not really an issue until it surprisingly flared up recently over the nurlear issue and the defence of the northern *flank* of Nato. The value of special Nordic egreements, such as a nuclear-free zone and a Finnish-Norwegian defensive pact, was queried, and the theoretical possibility of deploying nurlear weapons on Finnish soil was aired.

Finally, *Mr Koivisto*, the President, announced firmly that Finland would not permit nuclear weapons to be hrought into the country.

1979 GENERAL ELECTION

	Seats	%-of vote
Ruling coalition:		
Social Democrats	52	23.9
Centre-Liberals	41	17.3
Swedish People's Party	10	4.2
Others:		
Peoples' Democrats (Communists)	35	17.9
Conservatives	46	21.7
Rural Party	6	4.6
Christian League	10	4.8

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Brussels unveils 5-point programme for growth

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission has put forward a five-point programme aimed at translating the flickering signs of economic recovery in the western world into sustained growth for the 10-nation Community.

Although it has revised its 1.1 per cent 1983 growth forecast made last October down to 0.4 per cent, the Commission is more cheerful about the economic outlook than it has been for three years. Evidence of a pick-up in the U.S., and the fall in both interest rates and oil prices combine to give a chance of lasting non-inflationary recovery which must be seized it says.

With this aim, it has drafted an approach which it wants adopted by the Community summit here next Monday and Tuesday. The summit's guidelines would then be hammered into a more precise EEC stance in preparation for discussions in the OECD and at the world economic summit at Williamsburg, Virginia in May.

Within the Community, the Commission wants West Germany, Britain and the Netherlands to exploit fully their room for manoeuvre to lower interest rates and to maintain, and possibly increase, their public sector deficits.

Externally, the Ten must achieve concrete understandings on monetary, financial and commercial issues with its main partners — the U.S. and Japan.

M Gaston Thorn, the Commission president, has been preparing the ground for the summit discussion in a tour of capitals which took him to Athens, The Hague and London. On Monday he will urge the heads of government to lay down policy guidelines for:

● Assuring the stability of the international financial system. The Commission's paper urges steps to prevent a recurrence of the sovereign debt crisis which has rocked the financial system in the past six months.

In addition the Community and its partners must preserve and strengthen demand in the international economy by making sure that the banks do not desert developing countries and by using development aids.

● Stabilising the international monetary system. Here the Commission reveals plans to step up its pressure to bring sterling and the drachma within the European monetary system. It wants the subject discussed first in the Council of Ministers and then at the next European Council in June.

Externally, the Community must impress on the U.S. and Japan the need for exchange rates to reflect economic fundamentals better and also the need for a lower level of interest rates. At the same time, the Community should develop ideas for a more structured system of international monetary co-operation.

● An energy policy which does not sacrifice conservation and energy restructuring at the first signs of economic growth.

● Monetary policy. The Ten must pursue monetary policies which allow for a reduction in real interest rates. This particularly applies to West Germany, Britain and the Netherlands which have the best records in reducing inflation. The same necessity applies at an international level where the U.S. must be made to appreciate the importance of bringing down the cost of credit.

● Public Finances. The majority of member states are still fighting to control their deficits and there must be no weakening of these efforts. But West Germany and Britain should not draw back if it becomes necessary to use fiscal policies to strengthen the trend towards recovery.

Steel output curbs to be eased

BY GILES MERRITT IN BRUSSELS

THE European Commission yesterday posted an across-the-board easing of its quota restrictions on EEC steel output.

In the nine main steel product categories ranging from hot rolled coils through galvanised sheet to heavy sections, Brussels is to allow slight relaxations on the strict output cuts imposed on the EEC steel industry for the first quarter of this year.

But the marginally larger production quotas to be allowed for the second quarter of 1983 nevertheless still fall well short of the ceilings that obtained during most of last year, and in most cases are still lower than in the fourth quarter of 1982.

EEC steel output for the first three months of this year is due to total 25m to 26m tonnes, while for the second quarter the slightly relaxed output quotas imply only a small increase in production to 26.5m tonnes, compared with 31.25m tonnes in the second quarter of last year.

In a cautiously-worded statement, the Brussels Commission yesterday justified the easing of the controls on the grounds that seasonal effects, meaning an upturn in construction, and users' re-stocking of steel would allow a small increase in production.

At the same time, they observed that steel prices have recently shown an encouraging firmness while warning that any further lifting of the production ceilings would jeopardise steel price disciplines.

U.S. urges curbs on technology for Moscow

By David Buchan, East Europe Correspondent

THE U.S. yesterday renewed pressure on its allies to restrict further oil and gas technology sales to the Soviet Union, against a background of disclosures that the Reagan Administration may still be endorsing a belligerent economic policy towards Moscow.

CoCom, the Nato organisation which vets strategic trade with the Communist bloc, started a special two-day session in Paris yesterday on the issue of energy equipment sales. U.S. officials were making clear their belief that restricted Soviet economic and energy development could curb its defence build-up.

It was on precisely this issue that the alliance split last year, when the U.S. opposed West European equipment deliveries to the Siberian gas pipeline.

The recent fall in the Opec oil price, however, has made the Soviet energy problem one of demand, rather than supply, and Moscow has quickly responded by undercutting Opec producers in order to maintain its market share and hard currency earnings.

The CoCom study on energy technology is one of five allied studies on facets of East-West trade launched last November

But it raises in the most acute form the issue of whether the West should limit its trade restrictions to items capable of military use by the Soviet Union, as most European governments believe, or whether it should mount a broader effort to squeeze the Soviet economy, as many in the U.S. administration have urged.

French company takes stake in Wharton

BY PAUL BETTS IN PARIS

THE LARGEST computing service company in Europe, Compagnie Internationale de Services en Informatique (CISI), has acquired an 80 per cent majority interest in the Philadelphia-based Wharton Econometric forecasting group, the French company announced yesterday.

CISI, which is 90 per cent owned by the French State Commissariat for Atomic Energy and 10 per cent owned by the state Banque Nationale de Paris (BNP), said it also had an option to acquire in 1985 the remaining 20 per cent of the distinguished U.S. forecasting group run by Dr Lawrence Klein, the 1980 Economic Nobel Prize winner.

How much the sale by the Ziff-Davis publishing company of its 80 per cent stake to CISI was worth was not disclosed. But the French company is understood to have paid a relatively modest price for the controlling interest. Wharton Econometrics has been losing money and the French group hopes to bring it into the black.

Wharton Econometrics is expected to have revenues of about $8m this year, and the French company, which employs 2,800 people worldwide, believes it can help Wharton capitalise on its forecasting products through CISI's extensive international distribution and marketing network.

CISI, with revenues of just over FFr 1bn (£93m) a year, has a presence in most European countries and has been established in the U.S. since 1979. The company offers industrial software systems, management support systems and business application systems as well as providing large data banks it now hopes will be substantially boosted by the forecasting product and image of Wharton Econometrics.

● Reuter adds from Brussels: Western Europe's leading information technology companies have warned they are in imminent danger of being put out of business by American and Japanese competition.

The warning came yesterday in a European Commission report on industry in the 10-nation bloc to be presented to a Brussels summit of government heads on Monday and Tuesday. The report quoted the community's 12 largest information technology companies calling for community-wide cooperation.

Italian Left's image tarnished as city council scandals spread

BY JOHN PHILLIPS IN ROME

THE LEFT-WING city council of Turin yesterday announced its resignation in the lastest twist to a corruption scandal that jeopardising the reputation of Communist and Socialist local officials for honesty.

Sig Diego Novelli, who has been the Communist Mayor of Turin since his party, in alliance with the Socialists, wrested control of the council from the Christian Democrats in 1975, confirmed the resignation after what he said was a bitter final meeting of the local administration.

The scandal, which erupted last week with the arrest of nine local government officials and their subordinates on charges of corruption, on Tuesday brought down the regional government of Piedmont – an alliance of Communists, Socialists and Social Democrats.

In another move seen as tarnishing the Commmist and Socialists image, magistrates late on Wednesday night widened an investigation into waste of public money in government institutions to include the Left-wing City Council of Rome. A state prosecutor, Sig Luciano Infelisi, is to inquire whether officials in the capital may have falsified their expenses with unjustified claims for meals.

The collapse of the Turin administration, one of several major cities the Communists and Socialists captured in the 1970s after pledging to clean up local government, comes as a severe blow to the morale of both parties.

The Socialist leader, Sig Bettino Craxi, has already suspended the heads of his party's organisation in Turin and its surrounding province and in Piedmont. They were replaced by high-ranking party members who are to conduct an internal inquiry into the whole affair.

The council meeting yesterday is understood to have been particularly acrimonious, with Sig Novelli, who was not implicated personally in the affair, coming under heavy attack from his former Socialist allies. The meeting opened in a dramatic fashion after several hours delay during which it was rumoured that Sig Novelli had had a heart attack the previous night.

Those arrested include the Socialist deputy mayor of Turin, four other Socialists who were in senior positions, the Communist Party chief whip of the regional government, two Christian Democrats and an intermediary, who is alleged to have offered bribes in connection with the award of supply contracts.

The separate probe into the accounts of the Rome City Council is part of a large and increasingly controversial investigation into alleged waste of government funds. Sig Infelisi caused a storm after he sent judicial letters to 30 members of the superior council of the judiciary, the magistrates' governing body, informing them they were under suspicion of embezzlement. Some 30 members of the regional government of Lazio and the provincial government of Rome were also sent judicial letters.

Sig Sandro Pertini, Italy's Socialist President, has also become involved by publicly expressing solidarity with the superior council.

Inflation rate dips in France

By David Housego in Paris

FRANCE'S inflation rate dipped slightly in February but remains well above that of the major industrialised countries.

Consumer prices rose in February by 0.7 per cent over the January level or by 9.2 per cent over the previous 12 months, according to provisional figures released yesterday. This is a considerable improvement over the 0.9 per cent recorded in January.

The Ministry of Economy took the February figures as evidence to support the Government's view of a persistent deceleration in the French inflation rate from 14 per cent in 1981 to 10 per cent last year and a planned 8 per cent by the end of this year.

In practice the picture is less clear than this. Prices are expected to continue to rise at about 9-10 per cent (in the absence of fresh government measures) during the first half of the year but then slow down more sharply in the second

Pravda lashes U.S. arms talks stance

BY ANTHONY ROBINSON IN MOSCOW

THE LEADING Soviet expert on the U.S. yesterday dismissed as "a propaganda trick" speculation about the possibility of an interim nuclear accord which would match partial deployment of new U.S. missiles to partial reduction of existing Soviet missiles.

Mr Georgy Arbatov wrote in Pravda that "under the guise of seeking a compromise" between U.S. and Soviet negotiating positions, such an interim accord would be designed "to achieve the same old aim—the medium range missiles in Europe.
deployment of new U.S.

Mr Arbatov, who heads the Moscow Institute for North American Studies, seemed to be reflecting growing Soviet concern that the U.S. is about to be pressed by its European allies into making a compromise proposal in the Geneva missile talks. This could be both hard to reject and hard for the Soviet Union to accept.

Mr Arbatov warned that the months ahead would be crucial for arms control talks "unless they make some appreciable progress this year a new round of the arms race can hardly be stopped," he said. But he expressed Moscow's deep pessimism about its ability to come to terms with the Reagan Administration which Mr Arbatov described as being staffed by provincial ignoramuses and psychotic cold warriors "in need of medical assistance."

"As politicians many of these people are pure products of propaganda and second grade propaganda at that . . . fanatic anti-Communists, bawlers who are incapable of understanding the complexity of the modern world."

Under these circumstances Mr Arbatov asked: "Should it be surprising that the U.S. proposals at the arms limitation talks are custom-made to impress naive people . . . and at the same time be deliberately unacceptable to the Soviet Union?

"Everything about these proposals is dishonest," Mr Arbatov went on. "The zero option proposed for medium-range missiles is meant only for the Soviet Union, not Nato . . . the argument to the effect that an agreement on medium-range missiles should not cover the weapons belonging to Britain and France is simply ridiculous."

What is more Mr Arbatov added: "Attempts to make the public believe that stationing U.S. medium-range missiles in Europe could start while the talks would continue as if nothing bad happened are also futile."

Despite the pessimistic and aggressive tone of Mr Arbatov's article, Western diplomats believe that Moscow is waiting anxiously to see if the expected new proposals from Washington contain elements which might usefully be pursued at Geneva. One small indication of this could be seen where Mr Arbatov asked rhetorically: "But what if some changes are really to come in Washington? What can one say on this score? Only that Moscow will certainly notice such changes in time."

Lisbon call for 'social contract'

By Diana Smith in Lisbon

PORTUGAL'S economic growth will be so limited by balance of payments difficulties in the next three years that talks should begin immediately between government, business and unions to avoid social conflicts, according to Sr Joao Salgueiro, the outgoing Finance Minister.

Sr Salgueiro has given his warning at a conference in Lisbon, only six weeks before elections. He will hand over to his successor the worst balance of payments crisis the country has ever known. The call for austerity and a social contract is at the heart of all the democratic parties' manifestos.

Portugal ended 1982 with a balance of payments deficit estimated at $3.2bn (£2.1bn). The country faces a deficit of at least $2.3bn this year, and debt servicing of about $2.4bn of which $1bn is capital repayment on the medium- and long-term debt.

Financing the deficit has become increasingly difficult not only because of political uncertainties at home and a difficult international market, but because some loan negotiators have either tried to deal from would-be strength for fine terms unacceptable to the market, or to delve into sophisticated operations incompatible with weak economic prospects.

Thus, a foray into a glossy rotating $150m certificate of deposit underwriting facility for the savings bank, the Caixa Geral dos Depositos, ran into a stone wall. The market was not prepared to support the venture, the sum had to be converted into a Euroloan which, while agreed in principle, has yet to be finalised.

Meanwhile attempts by the caretaker government to push through a $400m syndicated Euroloan for the Republic of Portugal [against the advice of those who think the market would be more amenable to Portugal when it is known who will win the election] have also met resistance, because of timing and terms the Portuguese, not the market, find acceptable.

Liquidity has become very tight. The political hiatus has weakened resources. Debt servicing obligations have to be met. Whether the timing is good, Portugal apparently needs the funds from the pending Republic of Portugal loan.

The alternatives are a bridging loan from the Bank of International Settlements or gold-pledged facilities in the short-term, or, at a later date, a tough agreement with the International Monetary Fund similar to the strict deal imposed by the IMF in 1978 in return for emergency funds.

House clears way for approval of nuclear freeze vote

BY OUR U.S. EDITOR IN WASHINGTON

THE U.S. House of Representatives yesterday cleared the way for likely approval of a resolution calling for a "nuclear freeze" on the weapons of the two super powers. But it put off a final vote until next week after 13 hours of often angry debate.

House passage of the non-binding resolution would be the biggest triumph yet for the growing "freeze" movement across the nation, but would not commit the Administration to any specific action. It may also fail to pass the Repuhlican-dominated Senate.

Mr Tip O'Neill, the House Speaker, predicted that the resolution would pass the 435-strong House by 60 to 100 votes, a bigger majority than he bad earlier forecast. Two Republican-backed amendments aimed at giving President Ronald Reagan greater flexibility to continue his arms build-up were defeated during the night.

Mr Reagan has argued etrongly against the "freeze" proposal as it now stands, saying that its passage by Congress would make arms control negotiations with the Soviet Union "difficult if not impossihle" by weakening the U.S. bargaining position.

There are some versions of the proposal, bowever, that he could live with—particularly if the freeze were to fix the two countries' forces at balanced levels at a later date, after be has built new strategic weapons like the B-1 bomber and the MX missile.

Proponents of the freeze, however, argued that passage of the resolution would be "a prod to the Administration to get serious about arms-control talks."

Senator Paul Tsongas, one of the resolution's Democratic sponsors in the Senate, said be thought that reports of a possible shift in the U.S. position in the Geneva intermediate range missile negotiations with the Soviet Union were the result of pressure from the freeze campaign.

Supporters argued that the U.S.-Soviet balance was already building of the new weapons Mr Reagan wants would turn the U.S. into a nation threatening aggression.

Opponents claimed that a freeze would lock the Soviet Union into position of strategic superiority—a view in line with that of the Administration.

Mr Casper Weinberger, Defence Secretary, has said there is no way the Administration can eccept a freeze if that means abandoning its plans to modernise U.S. strategic forces after years in which they were allowed to fall behind those of the Soviet Union.

Banks to meet Caracas Finance Minister today

By Kim Fuad in Caracas

DR ARTURO SOSA, Venezuela'a Finance Minister is scheduled to meet international banks in New York today to map out a strategy for refinancing around one-third of Venezuela's estimated $30bn (£20bn) foreign debt.

Dr Sosa will meet a group of banks headed by Chase Manhattan and including the Bank of Tokyo, Commerzbank of Frankfurt, Citibank of the U.S. and Lloyds International of the UK, according to Venezuelan banking officials.

The five banks are part of a liaison committee that included Bank of America, Manufacturers Hanovers Trust, Royal Bank of Canada, and Swiss Bank Corporation.

Dr Sosa is expected to review the Venezuelan economic situation with the bankers and later meet the entire liaison group after Easter. Finally, the Venezuelan Minister will hold e general meeting with most of Venezuela's creditor banks.

Britain in bid to boost Chile's defence power

By David Tonge, Diplomatic Correspondent

BRITAIN yesterday set the seal on a quiet campaign to build up Chile's defence capability when Gen Fernando Matthei, the head of its air force, paid a formal visit to the Kingston, Surrey, headquarters of British Aerospace.

Britain, which has recently sold Chile about 12 Hawker Hunter fighters and three Canberra bombers, is keen to ensure that Chile can act as a counterweight to Argentina in South America.

It is now discussing sales of more modern equipment.

Gen Matthei's trip to Britain, the first official visit by a member of Chile's ruling junta since Gen Pinochet seized power in 1973, bas been vigorously condemned by Britain's Labour Party.

Yesterday, Britain insisted it did not sell weapons which could be used for internal repression.

Guerrilla successes are posing questions Washington finds hard to answer, **Reginald Dale** reports

Ghost of Vietnam falls over Central America

IN THE last few days, the Reagan Administration has dug itself still deeper into what could prove to be a virtually bottomless bole in Central America. The war in El Salvador *is back on the front* pages with a vengeance, and the dread word, "Vietnam," is being freely bandied about by the Administration's many critics.

The rhetoric of the Administration is eerily reminiscent of the early days of the Vietnam build-up, and of the reasons advanced by President Lyndon Johnson to justify it. President Reagan has described the goerrilla warfare in a small country most Americans had never beard of until recently as e threat to the national security of the United States.

Mr Caspar Weinberger, Defence Secretary, says that El Salvador's right-wing government can win a military victory with enough American help, and there is talk of increasing the number of U.S. military advisers. The last straw for Vietnam-conscious Americans came when it was learned that Washington is now thinking of promoting "village pacification programmes" — the notorious military takeover of rural areas intended to win the "hearts and minds" of the Vietnamese people.

El Salvador is not Vietnam. But it *is the ground* on *which* the Reagan Administration has chosen to fight left-wing insurgency, and wbat it sees as Soviet-Cuban expansionism, in the wbole of Central America. The domino theory has come roaring back. As Mr Reagan put it last Friday, if the rehels are not checked in El Salvador, "the killing will increase, and so will the threat to Panama, the Canal and ultimately Mexico."

He is convinced that Moscow'e aim is to tie down American forces on the southern borders of the U.S., and so destroy American capacity to re-supply Europe in a crisis and limit Washington's capabilities to act in other parts of the world *ranging from the Gulf to Japan.*

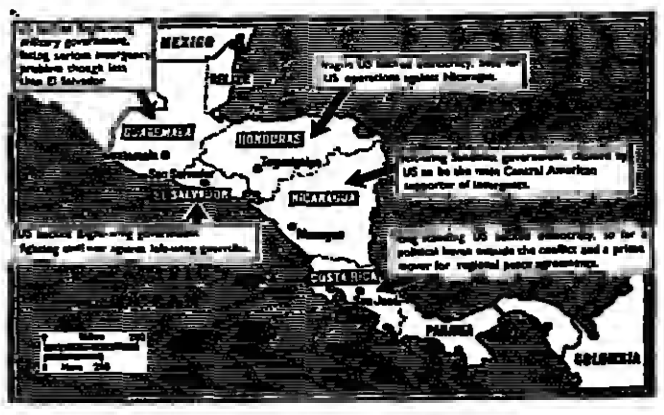
Mr George Shultz, the Secretary of State, has started sounding increasingly like Mr Alexander Haig bis predecessor, who first ostentatiously drew the East-West line in El Salvador at the very beginning of the Reagan presidency in early 1981 —although Mr Shultz moderated his tone arguing for more aid on Capital Hill on Wednesday.

The prohiem is that the Vietnam parallel and the relative military successes of the guerrillas in recent weeks are beginning to pose the Administration a number of questions it *finds very hard to answer.*

The first $5m worth of military aid to El Salvador was sent in the closing days of the Carter Administration, a fact for which Mr Reagan and his team are exceedingly grateful. The total economic and military aid to the country has now reached a massive $748m.

Both the Carter Administration and now the Reagan Administration have found it extraordinarily difficult to work out a policy, not just towards El Salvador but for the region as a whole, as military dictatorships bave begun to crumble since the *fall of the Somoza* regime in Nicaragua in 1979.

The first question is whether admittedly right-wing pro-U.S. military governmeots, with scant respect for human rights, are better than a democratic process which produces the "wrong results." While the Reagan *Administration,* of course, fevours democracy in principle, it gives the clear impression that it prefers the former. In its defence, it must be said that it did not expect such a right-wing government



to emerge from last year's elections in El Salvador.

But the Administration is sensitive to criticism and is showing mounting impatience with its European allies for not totally supporting U.S. policy. Mr Fred Ikle, the hawkish Uoder-Secretary of Defence, this week publicly accused the Europeans of being ignorant or mischievious in not supporting *Mr Reagan's policies in* the area.

Washington is now planning to resume military aid to the Right-wing Guatemalan regime of President Rios Montt with a request for $50m in security assistance for the coming hudget year. Honduras is the only country in the region to have *successfully moved from* military to civilian rule, but it has been chosen by the Central Intelligence Agency as the focal point for covert operations against Sandinist Nicaragua, which is now regarded, after Cuba, as the arch enemy in the region. Even Costa Rica, the only long-*standing* and *peaceful* democracy in Central America, has been persuaded to accept modest military aid, even though it has for long not felt the need for proper armed forces.

The second question, which the Administration finds impossible to answer convincingly, goes roughly as follows: "If the national security of the U.S. is et stake in El Salvador, how come you are not taking the maximum military measures to crush the guerrillas?" The Right wing, after all, believes that Vietnam could have been won if Uncle Sam had not fought with one hand tied behind his back.

The answer is impossible, because either the Administration has to agree that massive U.S. forces, including combat troops, should be sent to El Salvador, further evoking Vietnam in a politically unacceptahle *manner, or it has to admit* that U.S. national security is not really at stake.

What it has done so far is to do neither, claiming that, with enough money and accelerated U.S. military training—preferably outside El Salvador—the Government can win. That remains to be seen. In asking for an additional $110m in military aid for El Salvador last week, Mr Reagan himself admitted that the Government'a military position is "not good."

That leads to e further dilemma for the Administration. To prise the aid from a reluctant Congress, it haa to convince members that the Government urgently needs belp. But if the Government is losing anyway, why should further U.S. arms, dollars and prestige be committed to it?

Many Democrats believe that the aid will have to be given in the end, although they would like to ettach conditions to it. Nearly all of them would like to stipulate specifically that U.S. *military* edvisers should *not* be *involved* in fighting and that combat soldiers should not be sent.

Others would also like to insist on moves towards negotiations between the *Government* and the guerrillas, a development the Administration has said it will not tolerate unless the guerrillas first lay down their arms (which they are not going to do, if only for their own safety). The Democrats favour greater emphasis on economic rather than military aid — a point increasingly accepted by Mr Shultz, and acknowledged in Mr Reagan'a controversial Caribbean Basin Initiative to promote trade, *aid* and investment in the region, mnch of which is still before Congress.

Mr Reagan says he fevours a political solution, through another round of U.S.-supervised elections, and there are increasing signs that the *Administration is also promot*ing e so-called "regional solution," under which all five countries would agree to leave each other in peace, get rid of their foreign military advisers — American as well as East German, Russian and Cuban — and halt the flow of arms.

The problem with all this, which neither the Republicans nor the Democrats seem to recognise, is that there is precious little historical precedent, as Americans ought to know, for e civil war being resolved peacefully. It is also quite evident from the Administration's *pronouncements* that the U.S. does not really intend to leave the region alone. It regards it as its own back yard, and does not really consider itself as one of the "foreign" powers that should stop interfering.

The Administration is also suffering from a credibility problem based on its allegation of Soviet-Cuban involvement in the region and on its assertion that U.S. national security is at stake. It has not yet produced definitive evidence to back up its claim that the Soviet Union is pouring arms into El Salvador via Cuba and Nicaragua.

Many of the guerrillas' weapons are captured—or even bought — from government troops, another reason why there is reluctance in Congress to send the government more aid. Others are purchased on the black market, many of them apparently weapons originally captured by Vietnam at the end of that war and sold in 1976. Equally, of course, the Soviet Union would have the sense to provide the guerrillas with American- made weapons if it could.

How serious is the security prohlem? Obviously, if governments topple like ninepins to Soviet-allied forces, Mexico is threatened and the Soviet Union gains a major strategic foothold on the American continent, there is something serious to worry ahout. Nobody with any interest in the area has forgotten the Cuban missile crisis. The Administration clearly has a point, but it seems to be risking overdoing it. Senator Joseph Biden, e Deleware Democrat, summed it all up perfectly the other day, when he told Mr Ikle: "It'e not El Salvador itself that reminds people of Vietnam. It's what you all are saying that reminds people of Vietnam."

Western bankers hope to solve Cuba's rescheduling problems

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

SR RAUL LEON, president of Cuba's National Bank, sits down today in Paris with representatives of the Credit Lyonnais and other creditors from the private sector in the West.

Both sides will be fervently hoping that an end is in sight to the months of wrangling about the future of one of the smaller but more important of the Third World'e debtors.

At the end of August, the National Bank told its Western creditors that it did not have the money to pay them. From September 1 it halted payments on its Western debt while it sought a rescheduling which it hoped could be completed in 90 days.

Six-and-a-half months later, *there* are *still some ends* to be tied up over rescheduling $1.2bn of the total foreign debt to Western banks of 3.2bn pesos ($3.84bn or £2.5bn).

Last month, Western governments agreed a roll-over of $413m of repayments of principal due to them, although the terms—8½ years to pay, with a 3½-year grace period—fell short of Cuban demands for rescheduling over a ten-year period.

A total of some 250 private banks are expected to follow the lead given by governments and reschedule $400m doe to the private sector last year or falling due this year.

They are likely also to agree to meet some time in the future and look at the $250m which falls due next year and which the Cubans wanted discussed during the present series of meetings.

The willingness of the banks to go some way to meetings the Cuhans follows their realisation that there is no chance of the Soviet Union increasing its already large financial commitment to Cuba to help the Castro Government avoid having to plead for concessions from Western capitalists.

The Cubans have also submitted detailed plans for renewed austerity aimed at satisfying the hankers that they are intending to live within their means, however straitened these may be as the result of the rock-bottom prices of sugar, Cuba'e main export.

In a confidential memorandum to bankers, the authorities say that they have increased consumer prices 10 per cent so as to be able to remove about 170m pesos in subsidy from state enterprises.

Detergent prices, for instance, have been doubled, second-quality meat has gone up 36 per cent and fruit and vegetables 40 per cent.

Expenditures on housing and edncation are being slashed and the price of electricity to domestic and industrial consumers is to rise.

Cubans are for the first time going to be encouraged to put their spare pesos in a People'e Savings Bank which is about to be set up. Expenditure on consumer durables is to be discouraged by increasing down-payments and putting up interest rates charged on outstanding balances.

While the consumer is being *restrained,* the state is looking hard et its own finances. A ceiling of 3.6bn pesos is to be clamped on foreign debt in hard currencies and debt service costs in relation to total income in convertible currency pegged at around 25 per cent.

Those Western countries *which had been hoping* to push up their exports to Cuha face disappointment. In order not to exceed the foreign debt ceiling, the Cubans have announced they will not be taking up large amounts of export credits offered to them by Western governments.

These include 765.6m pesos offered by Spain, 425.4m pesos offered by Britain, and 223.9m pesos offered by France.

Lest Western bankers think that Cuba is spending large amounts on arms, the Havana authorities have stated categorically that they do not pay a cent for the weapons they receive from the Soviet Union and its allies.

The Cubans are aiming to make money in a unique way. The Soviets supply Cuba with a fixed amount of oil at a large discount on the world price and allow the Cubans to sell whatever they do not use on the international market at the ruling price.

By being miserly with their own use of this oil, Cuba hopes to make $120m in hard currency in 1983.

Airlines aim to rationalise fare structure

BY WILLIAM HALL IN NEW YORK

MAJOR U.S. airlines are planning a sweeping rationalisation of their complicated fare structure in a move to stem the rapid erosion of profitability. The erosion has taken place since air fares were deregulated in October 1978.

American Airlines, one of the hig three U.S. domestic carriers, began the move earlier this week by proposing to reduce the number of fares it offers to four basic ones. These would be based on the length of the trip taken.

At present, U.S. Airlines offer thousands of different air fares and few bear any relation to the distance travelled. Fare yields have been eroded. Economic recession and substantial overcapacity has forced airlines to offer cheaper and cheaper fares in an effort to win husiness.

American Airlines' plan has been welcomed by the other major carriers in the U.S. United Airlines, the biggest domestic carrier, has followed its lead and announced four levels of fares for each market —First Class, Regular Coach, Discounted Coach (Super Coach) and Super Saver—as well as special rates for military personnel and children.

The new fares will go e long way to eliminating the deep discounting of airfares which has bedevilled the industry.

Recently, airlines have been offering coast-to-coast fares for as little as $99. Under the new proposals, discounts are being cut from 60 per cento 25 per cent.

The fare structure will be implemented in April and according to United Airlines could eliminate npwards of 600,000 of the industry'a domestic fares out of the 2m stored in its reservation system.

Industry analysts stress that the new fares are proposals and they could change if there is no across-the-board support for the simplified tariff structure

One stock market analyst described American Airlines' initiative as "very much a trial balloon," but went on to stress that it was necessary, if the recent losses in the industry were to be eliminated.

Observers are relatively optimistic that the new fare structure will start the airline industry back on the road to financial health.

BASE LENDING RATES

A.B.N. Bank	10½%	■ Hambros Bank	10½%
Allied Irish Bank	10½%	Hargrave Secs. Ltd.	10½%
Amro Bank	10½%	Heritable & Gen. Trust	10½%
Henry Ansbacher	10½%	■ Hill Samuel	§10½%
Arbuthnot Latham	11 %	C. Hoare & Co.	†10½%
Armco Trust Ltd.	10½%	Hongkong & Shanghai	10½%
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10½%	Knowsley & Co. Ltd.	11 %
Bank Hapoalim BM	10½%	Lloyds Bank	10½%
BCCI	11 %	Mallinhall Limited	10½%
Bank of Ireland	10½%	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank Street Sec. Ltd.	10½%	National Westminster	10½%
Banque Belge Ltd.	10½%	Norwich Gen. Tst	10½%
Banque du Rhone	11½%	P. S. Refson & Co.	11 %
Barclays Bank	10½%	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	11½%	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	10½%
Brit. Bank of Mid. East	10½%	Standard Chartered	‖10½%
■ Brown Shipley	11 %	Trade Dev. Bank	10½%
Canada Perm't Trust	11½%	Trustee Savings Bank	10½%
Castle Court Trust Ltd.	11 %	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	10½%
Cedar Holdings	11 %	Volkskas Intl. Ltd.	10½%
■ Charterhouse Japhet	10½%	Westpac Banking Corp.	10½%
Choulartons	11½%	Whiteaway Laidlaw	11 %
Citibank Savings	¶10 %	Williams & Glyn's	10½%
Clydesdale Bank	10½%	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10½%
Comm. Bk. of N. East	10½%		
Consolidated Credits	11 %		
Co-operative Bank	*10½%		
The Cyprus Popular Bk	10½%		
Duncan Lawrie	10½%		
E. T. Trust	11½%		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.5%; 1-month 7.75%. Short-term £8,000/12-months 10.1%.
† 7-day deposits on sums of: under £10,000 7½%, £10,000 up to £50,000 8¼%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 7½%.
‖ 21-day deposits over £1,000 8¼%.
§ Demand deposits 7½%.
¶ Mortgage base rate.

OVERSEAS NEWS

Japan 'certain to reach 3.1% growth target'

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S ECONOMY is certain to achieve the 3.1 per cent growth target set by the Government for the current fiscal year, despite earlier fears of a substantial shortfall, the Economic Planning Agency (EPA) said yesterday.

The target will, however, be reached mainly because of fairly rapid growth in the first half of the fiscal year. During the current (final) quarter, the EPA expects little or no expansion of the economy.

The EPA's estimate that the 3.1 per cent target is easily within reach follows an npward revision of the real growth achieved in the third quarter of last year from 0.6 to 0.9 per cent, combined with modest growth of 0.4 per cent in the final quarter of the year. Growth in the third quarter turned out to be stronger than had been thought because of a relatively sharp growth in private capital investment.

In the final quarter of the year capital investment was weak but consumer spending grew strongly—contributing 0.8 per cent to total growth or double the rate of expansion achieved by the economy.

The external sector contributed a modest 0.1 per cent to fourth quarter GNP growth, reflecting the fact that Japan's imports during the quarter fell more rapidly than its exports. All other sectors of the economy, except housing, recorded either zero or negative growth.

The agency believes that the wsve of consumer spending which balped the economy to grow last autumn bss subsided and points to declining industrial production as further evidence that the economy is slipping into recession.

A projected fall in private investment for the coming fiscal year is seen as another negative pointer.

These factors, in the EPA's view, are likely to more than offset the positive impact of lower oil prices, at least during tbe first balf of the coming fiscal year.

In the light of its relatively pessimistic assessment of where Japan's economy may go in the next few months the agency's announcement that the economy is "back on track" bas an ironic tinge.

The EPA believes that despite superficially satisfactory growth figures for the year the economy is badly in need of stimulus. A reflationary growth package is being prepared and is expected to be unveiled by mid-April.

Britain and Arab League try to heal wounds today

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

BRITAIN and the Arab League are due to patch up their differences today when Mrs Margaret Thatcher, the Prime Minister, receives a seven-member delegation headed by King Hussein of Jordan.

The British Government and the Arab League became embroiled in an acrimonious dispute late last year over the issue of Palestinian representation in the delegation. The row forced Mr Francis Pym, the Foreign Secretary, to call off a visit to Saudi Arabia and other Gulf countries.

It has been settled by Britain agreeing to the participation of Professor Walid al-Khalidi, who is a member of the policy-forming Palestine National Council, but is not an official of the Palestine Liberation Organisation.

The British Government has sought a statement from the PLO nn renouncing terrorism and admitting Israel's right to exist before agreeing to talks at the most senior level of the organisation.

The London visit comes at a critical moment for the future of President Reagan's Middle East proposals and Mrs Thatcher will be anxious to hear the Jordanian monarch's assessment of the chances for progress.

King Hussein is expected to meet Mr Yassir Arafat, chairman of the PLO, in Amman next week to discuss whether they can make a joint response to Mr Reagan's idea of Palestinian self-determination on the West Bank and Gaza being expressed in association with Jordan.

Tough budget for UAE

BY OUR ABU DHABI CORRESPONDENT

THE United Arab Emirates is planning a "more austere" budget for 1983 in response to the cut in oil prices. Oil income, which represents over 90 per cent of total state revenues, is expected to dip by $3bn-$4bn below last year's estimate of some $14bn.

While the Government is not planning to introduce any draconian measures, it is taking a detailed look at individual sectors. First will be new construction projects.

Priority will be given to the completion of existing schemes, particularly those in health and education.

Ministries and departments have been instructed to curb spending by 50 per cent on everything but salaries and wages. Policies on recruitment and the structuring of departments will be re-examined, which will effectively mean a jobs freeze in the public sector.

The budget deficit for 1982, calculated at $626m, has now widened to over $1bn, and this could be outstripped in 1983.

Zimbabwe accountant abducted

By Michael Holman in Bulawayo

A WHITE accountant has been sbducted 10 miles west of Bulawayo in one of three separate incidents in 24 hours which suggests that the military sweep of Matabeleland province has not qnelled the activities of anti-government "dissidents."

A white farmer in the Figtree area, 40 miles south-west of the city fought off a four-man attack on Wednesday night. The farmer killed one attacker, who had got into his house. Police and army have launched follow-up operations.

Details of the third incident are sketchy, bnt units of the national army's Fifth Brigade, backed by helicopter gunships, are reported to have clashed with a band of dissidents.

A Government statement on the incidents was expected yesterday, but by early evening had not been released.

The accountant was visiting a farm near Bulawayo

● Tony Hawkins writes from Harare: Zimbabwe's opposition Zapu Party supports the concept of a one-party state, the acting president if Zapu, Mr Josiah Chinamano, said yesterday in an interview with the official news agency, Ziana. He said be wanted to merge his party with the ruling Zanu-PF Party of Premier Robert Mugabe.

The merging of the two parties is the shortest possible way of welding the two peoples together, and the sooner the better," be said.

Renter adds: Zimbabwe's High Court will rule next week wbether seven senior supporters of opposition leader Joshua Nkomo charged with treason bave a case to answer.

Harare talks

Botswana's Foreign Minister, Mr Archie Mogwe, who arrived in Harare on Wednesday as an envoy from Gaberone, was yesterday scheduled to meet Premier Robert Mngabe, writes our Harare Correspondent.

Car plant shuts

Peugeot Automobile of Nigeria, the country's largest car mannfacturer, shnt its plant in the northern city of Kaduna on Tuesday and sent home nearly 5,000 workers because of a severe shortage of raw materials, company officials said yesterday, Reuter reports from Lagos.

Chinese sentenced

Three leading university radicals during China's Cultural revolution were sentenced to np to 17 years' jail yesterday, ending more than three years of trials of the "Gang of Four" and their associates, Mark Baker reports from Peking.

Malaysian economy

Malaysia is expected to lose some $500m in oil and gas export earnings this year because of falling oil prices, but its economy is not expected to suffer greatly, according to the Malaysian Treasury, writes Wong Sulnng in Kuala Lumpur.

Talks on Hong Kong's future deadlocked

BY ALAIN CASS, ASIA EDITOR

TALKS between Britain and China over the future of Hong Kong are deadlocked over the crucial issue of sovereignty.

China is demanding that Britain concede Chinese sovereignty over the entire territory before the two sides enter into substantive talks. Britain is maintaining thst sovereignty is an issue whicb can only be negotiated as part of a wider and more detailed package.

The problem centres on the 19th century treaties under which the New Territories and parts of Kowloon automatically revert to China in 1997, but which ceded Hong Kong Island to Britain in perpetuity.

Cbina regards these treaties as "unequal" and refuses to recognise them claiming that all of Hong Kong has always been part of Chinese sovereign territory as have neighbouring Portuguese-run Mscao and Taiwan.

Tactics for the next phase in the talks were discussed last week in London by Britain's negotisting team which includes Sir Edward Youde, the colnny's Governor, and Sir Percy Cradock, the UK's Peking envoy.

The talks, chaired by Mrs Margaret Thatcher, the British Prime Minister, also included Mr Francis Pym, the Foreign Secretary and senior Foreign Office officials.

The next pbase is likely to involve the inclusion of more senior Hong Kong Chinese figures in the discussions in an effort to persuade China that an alien formula imposed on the territory could trigger a collapse in confidence.

It is also understood that the Chinese government has taken the unprecedented step of inviting four senior members of Hong Kong's Legislstive Council, a body appointed by the Governor, to Peking for talks.

Sir Edward Youde

British officials are encouraged by the apparent determination of the Chinese side to find a formula whicb preserves the confidence and stability of Hong Kong as a cspitalist outpost. Tbey bave noted that China's public pronouncements on the matter have become more conciliatory.

Mrs Thatcher's controversial visit to China and the colony last autumn provoked a mucb barder line from Peking.

Chinese officials have hinted that, under Chinese sovereignty, China would wish to maintain the Hong Kong dollar as the territory's currency as well as its present free-wbeeling life-style.

There is, however, considerable scepticism among observers that the latter would be possible if, ss seems certain, sovereignty over the whole territory is transferred to Peking.

The likelihood of any significant progress before the next British elections is slim. Despite her present insistence that sovereignty over Hong Kong csnnot be conceded before substantive talks begin—if at all—Mrs Thatcher is unlikely to grasp the nettle without firm Partiamentary backing.

British officials are also watching the struggle for supremscy in China itself between what are described as the "realists" and the "anti-colonialists." There is growing concern that a strong element of wishful thinking is influencing Peking wbicb appears to believe that titular and "real" Chinese sovereignty over the territory by Peking can be easily reconciled with the maintenance of confidence.

Some Whitehall officials bope that even if sovereignty has, in the end to be conceded, it may be possible to preserve much of the existing administrative and legal framework.

It is now widely accepted that thet talks will take at least a year, prhaps two, before a deal can be tied up. However, Britain does not exclude the possibility of a unilateral Chinese statement on Hong Kong's future.

Devaluation looms in troubled Indonesia

BY RICHARD COWPER IN JAKARTA

THE DECLINE in the price of oil will have serious economic *and possibly far-reaching political* consequences for Asia's largest oil exporter and the most populous member of the Organisation of Petroleum Exporting Countries (Opec).

Economists say that Indoesia may be forced to take a series of unpalatable measures which could include a devaluation of the rupiah, a sharp cut in Government spending and an approacb to the International Monetary Fund to cover a growing balance of payments deficit. Some observers fear that Indonesia could witness political instability, if, as seems likely, poverty continues to increase sharply.

Indonesia's economy is highly depeodent on earnings from petroleum. Last year oil and natural gas accounted for almost 85 per cent of the country's $20bn in gross export earnings and approximately 65 per cent of budgetary revennes.

Even before Opec made the decision to slasb prices for the first time in its history, Indonesis's economy was in some considerable difficulty. Last year oil export volume fell to the lowest level since 1972 and the country also suffered from a sharp reduction in economic growth because of tbe recession, and tbe worst drought for 10 years.

In 1982 oil production slumped by almost 17 per cent to 488m barrels while exports of crude and condensates fell by s similar proportion to 319m barrels. The result was that lsst year Indonesia recorded its biggest ever balance of payments deficit

Economic growth last year slumped by more than half to a 17 year low of around 3.5 per cent. Tbe deficit on the current account of the balance of payments in the 1982-3 fiscal year ending this March increased almost threefold to an estimsted $7bn. In the last 12 months total foreign exchange reserves are believed to have fallen by about 40 per cent to around three months of non-oil imports.

A further substantial decline in oil export earnings will exscerbate these problems. The government will have to take emergency sbort-term measures wbicb could prolong the recession, even if western economics start picking up later this year.

These will probably include: a doubling of annual commercial borrowing to over $2bn, which could push the debt service ratio towards 30 per cent; going to the IMF for up to $600m in loans—a bitter pill for a nationalistic Indonesian Government to swallow; a 25 to 35 per cent devaluation of the rupiah which msny now believe to be unavoidable; a major credit squeeze wbicb is likely further to depress domestic economic activity; a sharp cut in imports; and a sizeable cut in government spending.

If sucb measures are not taken, the deficit on the current account would rise to over $8bn and by the end of the 1983-84 financial year reserves would have almost disappeared. The budget deficit—already at an all-time high—could become unmanageable.

Fortunately, Indonesia has little sbort-term borrowing and will not be forced to reschedule any debt, unlike Mexico. But both foreign and domestic investment is likely to slow sharply, particularly if there are fears of devaluation and a credit squeeze.

Though accurate figures are impossible to obtain, bankers and economists say capital flight over the last six months or so bas been at least $1bn.

Yugoslavia and China to raise trade 20-fold

BY MARK BAKER IN PEKING

CHINA and Yugoslavia have taken a dramatic step towards closer co-operation with the signing of an economic agreement to increase their trade by some 20 times. Barter trade in products and technical and scientific co-operation will increase from about \$50m last year to about \$1bn this year.

According to sources close to the negotiations, there will be a massive increase in Yugoslavia's purchases of coal and oil. It is believed that China is preparing to act as an intermediary, supplying Yugoslavia with oil from Nigeria, Syria and Poland at less than Opec prices.

Yugoslavia is believed to want to invest in coal and copper ventures in China and also to consider partnerships in factory modernisation and river ship-building.

The new egreement comes only three days after China and the Soviet Union agreed to increase their trade to about about \$800m this year—the highest level since at least the beginning of the Cultural Revolution.

The Sino-Yugoslav deal suggests a strong desire by China to improve the relationship. Immediately after signing an accord in Peking today, the general secretary of the Chinese Communist Party, Mr Hu Yaohang, met leaders of the Yugoslav delegation and announced that he would visit Belgrade this spring.

Mr Hu emphasised that the economic egreement was in accord with "the very good political relationship" between the two countriea. He also said that in tough economic times China and Yugoslavia should co-operate more closely with each other.

Economic exchange between the two countries had reached a peek of \$157m in 1979. It had stagnated since then because of economic readjustment in both countries.

The latest agreement covers trade and co-operetion in industry, agriculture, food processing, science and technology.

The latest Sino-Soviet trade deal, which takes their barter quota from \$316m last year to about \$800m this year, suggests a further improvement in the Peking-Moscow relationship.

The big increase comes as talks are continuing in Moscow between eenior officials of both countries on easing tensions. Their trade fell to about \$210m in 1981 because of Chinese opposition to the Soviet invasion of Afghanistan and it had been widely tipped that the increase this year would be no more than about 50 per cent.

MME CHEN MUHUA, China's Minister of Foreign Economic Relations and Trade, will arrive next Thursday for a week's visit to Britain for talks on increasing trade, Colina MacDougall writes. British exports to China have declined sharply in recent years. Mme Chen is the first senior Chinese minister to visit Britain since talks began with Peking on Hong Kong's future. She is expected to see Mrs Margaret Thatcher and the Secretaries of State for Industry and Energy as well as leading British companies.

Sogee wins $250m Malaysia paper deal

By Wong Sulong in Kuala Lumpur

AFTER MONTHS of lobbying, the French industrial company, Societe de Gestion d'Etudes et d'Enterprises (Sogee), has finally eased out Kloeckner Industrie Anlagen, the German steel and engineering group, to become the foreign partner and contractor for a \$250m integrated pulp and paper plant in Malaysia.

Kloeckner had nearly won the deal when it signed a letter of intent with the government of the East Malaysian state of Sabah, last year, but now the Malaysian federal authorities have decided to locate the plant in Kelantan state on the mainland.

Financial circles here give two important reasons why Sogee won the deal: strong lobbying by Mr Pierre Manroy, the French Prime Minister, who offered a large package of credits for the project when he visited Malaysia last year, and the influence of Tengku Razaleigh, the Finance Minister who is the political boss in Kelantan.

According to the Kelantan chief minister, Datuk Mohammed Yaacob, the state has set aside 24,000 hectares in the Kuala Krai district for planting softwood. The pulp and paper mill, to be built on a 134 hectare site, should be ready in 1987 and should produce 100,000 tonnes of pulp and 130,000 tonnes of paper.

Details of how the equity will split have not been disclosed, but it is likely that Sogee will take a 30 per cent stake in the venture, with 40 per cent going to the Heavy Industries Corporation of Malaysia, and the remaining 30 per cent to Malaysian agencies including the Kelantan state government.

Iraq seeks bank credit to fund projects

BY PATRICK COCKBURN IN BEIRUT

MOST companies involved in projects in Iraq are asking banks for 18 months to two years deferred credit to fund the schemes which the Government in Baghdad no longer has the money to pay for. Only very high priority projects will continue in future to be directly financed by Iraq, say bankers.

Some projects will inevitably founder because they cannot get funding either from the Government or the banks. The seriousness of this should not be underestimated. The international construction business in the Middle East is now facing its biggest crisis since the Iranian revolution.

Iraq's oil revenues have slumped from \$25bn in 1980 to less than \$9bn last year, because its main oil pipelines have been cut as a result of its war with Iran. This year its oil reserves are likely to fall to \$6bn and subsidies from other Arab oil producers have been reduced.

The Iraqis have told companies that if they want to see their projects continue they must come up with the financing themselves. The scale of the problem is illustrated by the fact that in 1980 and 1981 Iraq signed contracts worth \$35bn, although many never got past the drawing board.

So far, the companies involved in projects in Iraq have not received a very good response from the banks, one banker said yesterday. "It is an open-ended commitment. The banks are supposed eventually to get their money from the Iraqi budget, but who knows what the Iraqi budget will be in two years' time?"

Some banks which had previously been involved in Saudi Arabia find funding projects in Iraq more attractive, however, because of tha dearth of new projects in the Kingdom.

Japanese and West German companies are the worst hit by Iraq's financial problems since in the past they have been the largest contractors. Mitsubishi, Marubeni and Sumitomo have received requests for the deferment of payments totalling \$1.5bn. They are also concerned that the cost of building many projects in Iraq has soared because of difficulties caused by the war.

If there was any prospect of the war ending, banks would clearly be more optimistic. But for the moment Iraq can only export 650,000 barrels a day (b/d) of crude through its one remaining pipeline across Turkey. Saudi Arabia and Kuwait have started selling 300,000 b/d of oil on Iraq's behalf, Mr Tariq Aziz, Iraq's Deputy Premier said recently.

But with the Gulf states also feeling the financial pinch, Iraq will be increasingly reliant on Saudi Arabia. The Kingdom is likely to give \$6bn in the first half this year.

The only companies likely to be exempt from the Iraqi cuts are those with military or quasi-militsry contracts. These include many roads, hospitals, electricity projects and military buildings. In 1981 Britain managed to sell Iraq defence-related goods worth £250m but insists that all were of the non-lethal variety.

Britain is not likely to be too badly hit by events in Iraq because in the past it has failed to win many construction contracts, apart from a few road schemes in Baghdad. UK exports to Iraq rose to \$875m last year, making the country Britain's largest market in the Middle East after Saudi Arabia.

James Buchan adds from Bonn: The exposure of West German banks and companies in Iraq is thought to be of the order of DM 7bn (£1.9bn) although orders have declined sharply as the drain on Iraqi resources because of the 30-month war has increased. For the construction industry, orders from Iraq tumbled last year after reaching DM 5.6bn in 1981.

West German companies are involved in a number of major projects including Basra airport and the DM 3bn Mosul dam, where Hochtief leads the consortium. Hochtief said yesterday that there had been payments delays in the past but there were no negotiations with the Iraqi side at present to reschedule the progress payments.

EGYPT and Israel have ended three days of talks on trade and commerce with Egypt declaring it had stuck by all its agreements on trade and Israel expressing its hope and confidence that trade would be revived in the near future.

Trade between the two countries, in effect Israel's exports to Egypt, have been frozen since Israel's invasion of Lebanon last June. Egypt has declared that there could be no substantial improvement in relations between the two countries until Israel agreed to a timetable to withdraw its forces from Lebanon.

UK Government doubtful over plans to reform Gatt

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE UK Government is extremely dubious about any schemes to erect a new body which would run alongside or supersede the General Agreement on Tariffs and Trade (Gatt), officials in London made clear yesterday.

They were commenting on the ideas of senior U.S. trade officials in Washington, made public on Wednesday, for accelerating the liberalisation of world trade.

These ideas fell into three categories. First, a "Gatt plus" embracing nations prepared to trade on a freer basis than that agreed in Gatt. Second, a "super Gatt" to unite a group of nations which would exercise trade leadership towards a more liberal system. Third, a "Gatt of the like-minded" where some country would lower trade barriers and invite other nations to join them.

Privately officials classified as naive the thought of any nation setting a good example and expecting others to follow.

But the general issue of trade liberalisation is likely to be raised in discussions next week when Mr Peter Rees, the UK Minister for Trade, holds talks in Washington.

Mr Rees, however, will be laying emphasis not on ideas for the reform of the Gatt, although there is some Whitehall sympathy for specific U.S. concerns such as the Gatt disputes procedure, but on U.S. protectionism.

He is specifically concerned about the Trade Administration Act, due for renewal this year. This is the legal vehicle used by the U.S. for the imposition of trade sanctions and the attempt, seen last year during the dispute over supplies to the Siberia-West Europe gas pipeline, to enforce American law outside U.S. borders.

The view in London on the Washington ideas about Gatt reform was clouded by uncertainty about tha precise nature of U.S. thinking. Officials denied the Washington suggestions that there had been bilateral talks or even that London had been sounded out informally.

They doubted in any case whether there exists much general support for any completely new Gatt structure. The attitude in London was that it would be more profitable to make the existing body of rules work rather than seek to construct a new elitist trade body.

A SMALL European Community delegation headed by Commission Vice President Wilhelm Haferkamp and Commissioner Poul Dalsager was due to arrive in Washington yesterday for what is described here as "a last ditch effort" to avert a costly trade war over agricultural export subsidies Nancy Dunne reports.

The two sides were expected last night to review a position paper analysing market shares, and it was hoped that the report would provide a starting point leading to discussions to settle the dispute.

Indians to build railway line in Algeria

THE INDIAN Railway Construction Company (Ircon) has won a Rs 810m (£54m) contract for construction of a 22km standard gauge railway line in Algeria. Included in the contract is the building of six bridges across key highways, K. K. Sharma reports from New Delhi. Ircon will also set up a twin block concrete sleeper plant at the Algerian port town of Oran with a capacity of 500 sleepers a day. Both projects are to be completed within three years.

UK hopes in Egypt

BRITISH companies should gain project work worth £70m in Egypt by the end of this year, Lord Cockfield, the Secretary of State for Trade, said in Cairo yesterday after signing an agreement with his Egyptian counterpart, our World Trade Staff report.

Harrier purchase

THE Spanish Government has approved the purchase of 12 Harrier Bravo jet fighters from the McDonell Douglas Corporation, AP-DJ reports from Madrid. The aircraft are estimated to cost about \$380m with spanish firms receiving \$120m to \$150m for production of components.

U.S.-Chinese venture

BAKER MARINE Corp. of the U.S. and a Chinese company have established a joint venture to build an offshore drilling rig and provide oil drilling services, the official Xinhua news agency reported, AP-DJ reports from Peking. Xinhua said the new China Nanhai-Baker Drilling Corporation with registered capital of \$20m, is the largest joint venture of its kind so far.

Philips and Ericsson set to clinch Saudi order

BY WALTER ELLIS IN AMSTERDAM

PHILIPS, the Dutch electrical group, and Ericsson's of Sweden hope shortly to clinch a Fl 1.5bn (£375m) follow-up order from Saudi Arabia for the provision of advanced telephone equipment. Mr Wisse Dekker, Philips chairman, has said that agreement in principle has already been reached.

On its own, Philips is also hoping to win major telecommunications orders from Brazil and Indonesia.

In December 1977, Philips and Ericssons together secured from Saudi Arabia the world's biggest-ever order for telephone equipment, worth some Fl 12bn. The two companies were to provide a modern electronic telephone network for the Kingdom and immediately established a 50-50 joint venture for the task. To date, some Fl 7bn in orders have been generated, and the latest contract, if confirmed, would take the total value of the deal up to Fl 13.5bn.

The one snag could be falling oil prices. Saudi Arabia has apparently hinted that even its vast reserves are not bottomless and that the telephone project must take its place alongside demands for other kinds of modern infrastructure. Mr Dekker, however, remains optimistic

Bophuthatswana power contract won by Italians

BY JOHN PHILLIPS IN ROME

AN ITALIAN consortium has been awarded a contract worth L113bn (£52m) for the construction of a power station in the "independent" tribal state of Bophuthatswana in South Africa.

The contract is for a 60 MW thermal plant, with an option for construction of three more plants of the same capacity and has been given by local authorities to GIE, a consortium of a number of Italian electrical engineering companies including Franco Tosi, Ansaldo and Ercole Marelli.

The same Italian consortium signed a £133m deal to build a power station at Isfahan in Iran last November. The contract was believed to be the first major new construction contract awarded to a foreign contractor by Iran since the 1978 revolution. Like several other Italian concerns, GIE stayed in Iran after the revolution, when many other foreign contractors abandoned work and left.

Meanwhile Ansaldo, which is part of the IRI-Finmeccanica state-owned engineering group, announced it has won two smaller contracts in Peru and the Soviet Union worth together some L5bn.

Monetary growth within target range

BY JEREMY STONE

MONETARY aggregates grew in the banking month to February 16 at rates well within the target range confirmed by the Chancellor of the Exchequer in his budget speech on Tuesday, with the broadest measure of liquidity – PSL2 – increasing by just over 10 per cent on an annualised basis compared with a target ceiling of 11 per cent.

The total of notes and coin in circulation plus UK private sector sight deposits (M1) grew at just under 5 per cent, annualised, in contrast to the Chancellor's hint that this narrow measure of money might advance more rapidly than targeted in the early months of the year.

Sterling M3, which also includes private UK time deposits and public sector sterling deposits, grew still more slowly, at an annual rate of some 3.7 per cent.

This modest rate of expansion resulted from the contractionary influence of the public sector element in the total and the large external drain (some of it accounted for by public sector transactions). Thus, the overall impact of external and foreign currency items was a contraction in sterling M3 of £819m. Within this, foreign banks reduced their holdings of sterling by £516m, and although that was partly offset by sterling lending overseas, the Government again contracted a significant amount of its borrowings overseas.

Lending to the private sector, however, turned out at a seasonally adjusted £1.3bn, so that this relatively buoyant component of the change in sterling M3 actually grew more than five times as fast as the seasonally adjusted aggregate to which it is a contributor.

Drivers clear way for rail agreement

By Brian Groom

THE TRAIN drivers' union, Aslef, yesterday gave a vital agreement which will allow last year's delayed 8 per cent wage award to be paid to all British Rail's 161,000 employees, and permit electrification of a key service between London and Bedford.

The union's executive, meeting in London, agreed to accept the "broad findings" of Lord McCarthy's railway staffs national tribunal, including a special £6-a-shift payment for driver-only operation of the Bedford line's new trains.

Aslef disagreed with the wording of Lord McCarthy's report on four other productivity measures, but enough progress has been made on these to persuade the BR Board to pay the 6 per cent, frozen since September, to all staff. McCarthy recommended it be withheld from drivers.

Although BR is not yet home and dry, executives can see an end to two years of wrangling over a range of productivity improvements which has cost the board about £170m in strikes. They may feel encouraged to put forward new measures, perhaps in the 1983 pay offer, due for settlement on April 17.

'Risks' in sharp oil collapse

BY CARLA RAPOPORT

A SHARP fall in the price of oil would benefit oil importers and spur economic recovery, but would carry with it many new dangers and risks, according to a report released today by the Group of Thirty.

The Group, which is made up of senior officials from Opec countries as well as financial and industrial executives from both developed and developing countries, calls for improved communication and understanding between oil exporters and importers in order to head off the risks of falling oil prices.

The study suggests that a steep disorderly fall in oil prices and the accompanying decrease in Opec's capital surplus could put additional strains on the already stretched world financial system.

Falling oil prices could result in a dramatic increase in the demand for oil by the end of the decade if coupled with a strong economic recovery, the study predicts. If oil supplies are interrupted at that time, another oil price shock could result. This, in turn, could set off another round of reduced demand and revenue losses for producers.

Price instability may also be exacerbated by structural changes in the oil market over the next few years. The study predicts that by 1990, the Gulf producers will contribute a smaller percentage of global oil supplies, but will have a larger share of total Opec production.

As many of these countries have small populations and large oil reserves, they will be able to reduce their production levels to stabilise Opec's production. However, because they will produce a smaller percentage of the world's total energy needs, they will have to absorb much larger swings in oil demand then they have in the past. If they are unwilling, or unable, to match supply and demand, the oil market's instability may grow.

"This kind of volatile market behaviour could mean disaster for the world economy and could raise the spectre of energy shortages by the end of the century," the report states.

The study suggested that an effort by the OECD countries to buy oil stocks when the price was low and sell at higher prices could help buffer oil price movements.

"It is in the long-term interests of both the oil exporting and oil importing countries to help bring stability to the oil market," the study concludes. While the past has hardly enouraged co-operation, the future will demand it.

The Future of the International Oil Market, issued by the Group of Thirty through Charles Barker Lyons, 30 Forringdon street, London. EC4.

ICI to increase price of PVC products by 14%

FINANCIAL TIMES REPORTER

IMPERIAL CHEMICAL Industries yesterday launched a fresh initiative to raise the prices of its polyvinyl chloride (PVC) products throughout Europe, but admitted that the move was not sufficient to bring its PVC operations back into profit.

ICI will raise the prices of its full range of PVC products by 14 per cent from April 1. PVC is used to make a variety of industrial and domestic products, including pipes, flooring materials and home furnishings. Demand for these products has been heavily depressed in recent years, resulting in large losses for PVC producers.

The group's price move is in response to a similar increase by West German PVC producers. ICI's new prices in the UK will be about £420 per tonne, while in continental European markets the price will go up to DM 1.80 per kg.

However, that PVC prices needed to climb to about DM 2.50 per kg before producers could break even on their operations, ICI said.

ICI's production capacity for PVC in Europe is about 570,000 tonnes a year, which accounts for about 11 per cent of the overall European capacity. Depressed demand has meant that most of the PVC plants in Europe have been running at about 70 per cent of total capacity.

The group intends to move its PVC prices ahead again in May, perhaps by about 10 to 12 per cent.

Last month ICI reported that its petrochemicals and plastics division produced a trading loss in 1982 of £139m on sales of £1.9bn.

In the depressed market, customers are anxious for the benefits of lower feedstock prices to be passed on, not absorbed by the producer.

Growth in import penetration 'stemmed'

By Paul Cheeseright

GROWTH of imports, as a percentage of total home demand, in manufacturing industry appears to have been stemmed, according to the latest figures from the Department of Trade.

The ratio of imports to home demand through all manufacturing was 28.7 per cent in the 12 months to the end of last September, compared with 28.8 per cent in the year to June.

"The figures suggest that the rise in the level of import penetration that began in the middle of 1981 was halted in the middle of 1982," the Department said in British Business, its weekly magazine.

Growing import penetration since 1979-80 – the figure was 25.6 per cent for the year to September 1980 – has been behind strong sectoral pressure on the Government for protection.

It has also been at least partly instrumental in inducing the Labour Party to adopt a more stringent import policy as a precondition for resumed economic growth, thus breaking the traditional bipartisan approval of the open trading system.

R-R workers to fund trainees

BY DAVID GOODHART, LABOUR STAFF

IN A unique shop floor move at the Rolls-Royce Parkside plant in Coventry workers have agreed to levy themselves 10p a week to pay the wages of two apprentices.

The three-year apprenticeships, which started last year, will cost £30,000 and all but two of the plant's 2,000 workers have agreed to the levy.

The initiative has been welcomed by the Engineering Industry Training Board, which hopes the idea will spread. But in spite of local union backing the idea is not popular with the TUC

The scheme may soon be extended at Parkside, according to union convener Mr Phil Higgs, because the levy raises about £120 a week more than the apprentices are paid.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
1st qtr.	100.7	89.3	92	106.5	141.2	2,679	112
2nd qtr.	101.1	88.9	89	106.8	145.1	2,743	107
3rd qtr.	101.4	88.0	84	108.0	150.7	2,837	111
4th qtr.	101.4	87.2		110.7	184.5	2,913	115
May	101.5	89.5	93	106.9	145.2	2,740	107
June	100.3	88.1	76	107.2	144.6	2,773	105
July	101.2	87.9	82	108.0	151.9	2,814	111
August	101.3	97.9	84	109.4	150.6	2,832	114
September	101.6	88.0	85	109.3	149.9	2,866	107
October	101.6	87.4	90	109.3	158.6	2,885	114
November	100.3	86.6	84	110.0	171.5	2,906	114
December	102.2	87.5		112.2	215.5	2,949	118
1983							
January	102.4	89.8		110.1		2,983	122
February				110.5		3,000	124

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
1st qtr.	92.5	90.7	121.2	86.2	81.4	74.3	14.7
2nd qtr.	91.9	91.5	122.1	86.5	78.1	72.7	17.5
3rd qtr.	91.5	90.5	122.7	85.9	72.5	70.6	17.1
4th qtr.	92.0	87.7	122.7	84.3	68.6	70.9	15.0
April	92.0	92.0	123.0	86.0	81.0	74.0	17.1
May	93.0	92.0	123.0	87.0	80.0	74.0	17.7
June	91.0	92.0	121.0	86.0	73.0	70.0	17.6
July	91.0	90.0	123.0	86.0	73.0	70.0	16.7
August	91.0	91.0	123.0	86.0	72.0	69.0	15.7
September	92.0	90.0	123.0	86.0	73.0	73.0	19.0
October	93.0	88.0	123.0	85.0	71.0	72.0	15.5
November	91.0	88.0	121.0	84.0	67.0	69.0	17.3
December	93.0	87.0	124.0	84.0	67.0	72.0	12.3
1983							
January							15.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv US$bn
1982							
1st qtr.	127.5	125.5	+234	+644	+698	101.2	18.97
2nd qtr.	131.4	130.2	+123	+885	+858	101.3	17.76
3rd qtr.	125.1	123.7	+609	+1,213	+1,313	100.5	18.30
4th qtr.	131.4	124.0	+1,262	+1,952	+1,736	99.3	16.85
April	133.5	131.6	+120	+374	+378	101.2	18.16
May	131.1	132.5	−77	+177	+289	100.9	17.82
June	129.5	126.3	+80	+334	+191	101.5	17.70
July	126.5	123.8	+193	+394	+449	100.7	17.94
August	118.3	121.1	+91	+293	+474	101.1	18.11
September	130.7	126.1	+325	+526	+390	99.7	18.30
October	126.8	125.8	+215	+445	+501	98.8	18.50
November	132.4	122.5	+539	+769	+543	99.4	18.00
December	135.0	123.8	+508	+738	+692	99.7	17.00
1983							
January	121.0	134.3	−491	−261	+501	99.8	16.85
February							16.58

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,535	1,344	2,210	
3rd qtr.	15.2	12.6	28.3	+4,842	1,796	2,396	
4th qtr.	19.0	13.3	26.9	+5,015	2,139	2,556	
May	−0.5	9.5	26.8	+1,684	478	729	
June	10.7	10.2	25.8	+1,240	429	751	
July	14.2	11.3	29.4	+1,369	691	703	
August	17.5	12.3	26.6	+2,034	437	853	
September	14.2	14.0	28.8	+1,418	668	840	
October	24.0	18.2	32.4	+2,850	886	808	
November	17.4	12.2	25.4	+1,115	763	974	
December	15.9	9.8	23.2	+1,068	490	974	
1983							
January	7.6	4.3	7.0	+891	391	872	
February					386		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
1st qtr.	216.6	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
4th qtr.	231.3	251.7	246.8	325.4	298.5	238.84	89.2
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	323.0	299.5	229.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.1	245.1	324.5	296.5	227.18	92.5
November	232.2	252.6	246.5	326.1	298.8	228.03	89.5
December	233.8	255.6	248.8	325.5	300.1	238.84	85.6
1983							
January	232.2	261.1	250.1	325.9	301.8	253.45	81.9
February		259.2	251.1			256.25	80.7

* Not seasonally adjusted.

UK NEWS

Welcome on the hillside for Finnish papermaker

BY ANDREW FISHER

UNITED PAPER Mill's bold decision to strike out further in the UK paper market with a £135m pulp and newsprint mill in North Wales was met yesterday with a mixture of welcome and scepticism.

The welcomes came from those, not least in Wales itself, who had grown tired of seeing the British papermaking sector decline in the face of recession, soaring imports and high energy costs.

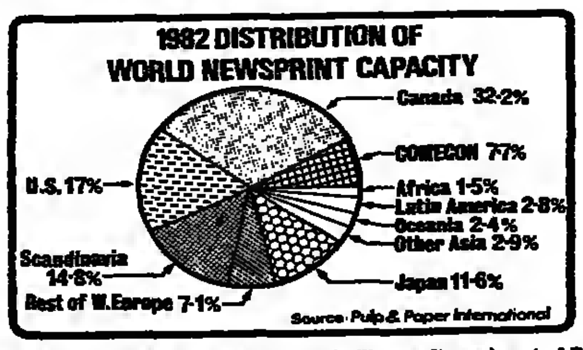
Scepticism was expressed by those who wondered if the Finnish company – its full name in Finland is Yhtyneet Paperitehtaat Oy – has not been tempted as much by the hefty £30m Government grant as by the hope of making mooey on the project.

UPM insists that the project is viable. It will use the efficient thermo-mechanical pulp (TMP) process that has proved successful in two of its mills in Finland. Advanced energy-saving equipment will also be installed.

Mr Niilo Hakkarainen, managing director of UPM said yesterday: "We are convinced that with these concepts we can produce, from British raw material, the high-quality newsprint that meets the requirements of the most demanding customers."

Outside North America, Britain is the world's largest consumer of newsprint. Last year, the total dipped from 1.4m tonnes to just over 1.3m. Only a tiny proportion of its was home-produced after extensive cuts in capacity in recent years.

The addition of the new UPM 180,000 tonnes a year capacity at Shotton, where British Steel has reduced its operatioos sharply, will combine with the Cheshire project of Canada's Consolidated-Bathurst to boost UK newsprint capacity considerably by the mid-1980s.



UK oewsprint output last year was a mere 84,000 tonnes, with capacity at 98,000 tonnes, represented by the remaining machines operated by Reed and Bowater. The latter, though, is heavily involved in the U.S. market, where over-capacity has combined with recessinn to lower prices.

But in 1986, once Consolidated-Bathurst is running at full 245,000 tonne a year capacity at Ellesmere Port, and the Shotton project is completed, UK capacity for newsprint could be up to over 500,000 tonnes, or about one third of demand.

The TMP plant to be used in the proposed new mill, which will employ 270 people and provide jobs for a further 1,000 in timber haulage, harvesting, and transportation, will be built on a disused part of British Steel's site at Shotton.

In non-papermakers' language TMP is a highly efficient way of turning wood into a product that can be used for printing books oewspapers, magazines or glossy brochures. United Paper Mills has used TMP in Finland at its Kaipola mill and more receotly at Jämsänkoski.

TMP reduces the need for costly chemical pulp, by which the wood is broken down or defibred through being immersed in differeot solutions.

Up to 60 per cent of Shotton's needs will be met from the state-owned Forestry Commission itself, the rest coming from privately owned forests and sawmills.

Last year, UPM had turnover equivalent to £350m. Its annual capacity is 900,000 tonnes of paper and board, 222,000 tonnes of converted paper and board products *and 280,000 cubic metres of sawn* timber. It employs 9,000 people.

Kuwait free to sue UK engineers

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE GOVERNMENT of Kuwait is entitled to sue in the English courts to try to enforce a £3.5m arbitration award made in Kuwait against consulting engineers, Sir Frederick Snow & Partners, the Court of Appeal ruled yesterday.

The award was covered by the 1975 Arbitration Act, which gave effect in the UK to the New York Convention on the recognition and enforcement of foreign arbitral awards, even though Kuwait had not been a party to the convention when the award was made.

Kuwait's appeal against a Commercial Court ruling made two years ago was allowed. Sir Frederick Snow & Partners was refused leave to appeal to the House of Lords. The award was made in 1973 and Kuwait did not become a party to the conventioo until 1978. The UK became a party in 1975.

The award arose from a 1958 contract under which Snow provided engineering services in connection with the building of Kuwait international airport. In 1963 cracks appeared in airport buildings. The following year Kuwait ended the contract and two years later, referred the matter to arbitration.

An arbitrator was appointed by the Kuwait national court in 1972, the parties having failed to agree upon an arbitrator.

Snow's final appeal in Kuwait against the award was dismissed by the Court of Cassation in 1975. Kuwait started enforcement proceedings in England in 1979, whereupon Snow raised, as a preliminary issue, the question of Kuwait's status under the Convention.

Brokers censured by Stock Exchange

TWO STOCKBROKERS have been censured by the London Stock Exchange after an investigation into the accounting treatments of their firm.

They are Mr David Joseph Bream, senior partner of Giles & Overbury, and Mr Laurence Joseph Cunningham, finance partner of the same firm.

The disciplinary committee of the Stock Exchange found that Mr Bream caused balance sheets to be prepared which he knew did not give a true and fair view.

On a number of occasions between June 1979 and July 1982 he caused liquidity margin returns to be prepared which he knew did not show clients' unsecured balances outstanding for more than six account days, a statement said.

Mr Cunningham was said to have known of these breaches of a Stock Exchange rule. They were said to have acted in a "disgraceful manner" *with the intention of* concealing the fact that the firm had not maintained its minimum liquidity margin.

Ford strike talks

UNION leaders and the Ford management meet in London on Monday to find a solution to the strike which has halted all car production at Halewood, on Merseyside. By last night the strike, which began over the dismissal of a worker for allegedly causing malicious damage, had cost Ford the output of 7,500 Escort cars worth £38m.

Oil and gas find

BRITISH PETROLEUM has made a promising oil and gas discovery some 175 miles north east of Aberdeen. A well, drilled on block 16/7 to a depth of 4,185 metres, *tested an oil flow rate of 3,800* barrels a day. In addition gas flowed at 5.5m cubic feet a day.

Unit trusts buoyant

SALES of unit trusts in February totalled £209.3m, the second highest monthly figure on record. After repurchases of £81.7m, the net new investment for the month was £127.6m, the third highest monthly figure recorded.

مكاتب الأعمال

UK NEWS

Building output highest in four years

By Andrew Taylor

CONSTRUCTION output in Britain rose last year for the first time since 1978. A further increase in construction activity is expected this year. But activity is still lagging well behind the levels of the 1970s.

In 1982 all construction output, including repair and maintenance work, increased by almost 1.5 per cent according to figures published by the Environment Department.

These show a sharp jump in construction activity in the fourth quarter of last year when output increased by 6.4 per cent, compared with the final quarter of 1981.

But construction output last year was still almost 18 per cent lower than in 1978 – the last full year before the Conservative Government came to power in May 1979.

The value of construction output, in current prices, rose last year to £21.9bn compared with £21.25bn the previous year and £16.15bn in 1978. In volume terms (expressed in 1975 constant prices), annual output has slipped from £11.9bn in 1978 to £9.8bn in 1982 after taking into account last year's modest improvement.

The greatest increases in construction activity last year were in private housebuilding, where output went up by 13.7 per cent, and in the private commercial sector where a rise in new office building led to a 16.4 per cent increase.

Increases in private commercial work is now expected to slow as the high level of office building projects started in the late 1970s and early 1980s begins to decline.

Private housebuilders, however, will continue to benefit from the sharp fall in mortgage interest rates last year and a further increase in new housebuilding is expected in 1983.

Cement makers dig in

Michael Cassell finds the British cement industry on the defensive against European imports

CEMENT is not a product calculated to set the heart racing but recent weeks have found it at the centre of some frenetic and often fanciful speculation about an impending landslide of imports into the UK market.

The threat of large-scale imports into Britain has long been a possibility, given the often substantial differential in prices which has existed between the UK product and cement produced in some other European countries.

It has not always been so, however. *Until a few years ago,* UK cement prices were regarded as the cheapest in Europe, but post-war reconstruction on the Continent created a modern, energy-efficient, highly productive cement industry. In the UK, manufacturers were still using some plant up to 50 years old.

After demand for cement in the UK peaked at about 20m tonnes in 1973, falling sales left UK producers with little incentive to build costly new plant. Rationalisation and improvement began only recently.

Concern among UK manufacturers about the prospect of rising imports reached new heights at the start of 1983 when supplies of West German cement began to arrive at Lombard Wall, a Thames-side wharf at Greenwich, in south east London.

The shipment was ordered by Marcon, the ready-mix subsidiary of J. Murphy & Sons. This contracting and materials group has built five storage silos at the wharf and is accepting weekly shipments of 1,300 tonnes. The company is now understood to have completed plans to import cement at two additional locations.

At the same time, bagged cement – much of it from East Germany – is being imported and sold in Kent by Cemport, and monthly consignments of about 4,000 tonnes are being brought into Scotland by Planrite.

The latest development involves Bulk Cemeot Marketing International, which has until now been selling East European cement to the Middle East, but which says it intends to begin importing into the UK from next month.

Although onports appear to be on the increase, the volume of cement involved has so far been small, but it is the prospect of substantial increases in the current level of imports which is causing concern.

Between them, Cemport and Planrite are only thought to have imported about 55,000 tonnes of bagged cement during 1982, about 0.5 per cent of total sales in Britain last year. Together with imports of bulk cement – so far confined to the Murphy operation – sales of foreign cement have been running at no more than 1 per cent of the marketplace, which last year supported sales of 12.7m tonnes.

UK cement producers do not compete with each other on prices, and operate a controversial agreement which standardises selling prices on a regional basis.

The extent of any competitive advantage gained by importers is, therefore, determined by the area in which sales are made.

In central London, for example, the average price of high quality bulk cement, including delivery to site, is now £42 a tonne, against a figure of under £40 in West Germany.

The differential has recently been whittled away as UK prices have remained stable since January 1981, while domestic West German prices have risen significantly.

But surplus German capacity and the need to maintain volumes has kept export prices largely unchanged. Recent exchange rate movements have, however, reduced margins on imports.

Last week, the situation drew a strongly worded statement from the Cement Makers' Federation, which represents the UK producers and which has become increasingly concerned about the prospect of rising imports.

It gave a warning that, in some cases, the quality of imported cement was in question – suggesting some supplies contained additives which were not permitted in the UK but which were difficult to detect. The Federation also claimed that prices charged by British manufacturers were "fair and reasonable" in relation to the cost of energy and other overheads and reminded customers that they had not risen for 15 months.

Leyland to strengthen European bus network

BY JOHN GRIFFITHS

LEYLAND BUS, the bus and coach building arm of BL, has undertakeo a major overhaul of its service network on the Continent.

It seeks to strengthen the support base for UK coach operators increasingly engaged in long-haul activities across Europe, and to prepare the ground for a sales drive next year for its new Tiger and Royal Tiger coaches in continental markets.

Leyland's coach sales on the Continent are almost noo-existent, while in the UK highly specified coaches from importers such as Daf and Volvo have taken an increasing share of the domestic market.

The Tiger and Royal Tiger were launched partly to combat this penetration, and have been successful in the UK. Leyland's share of the coach market was 28 per cent in 1980.

By strengthening its European service network Leyland hopes to win back UK operators who have bought continental coaches. Leyland accepts that a significant element in decisions to buy vehicles such as Daf or Volvo has been that these manufacturers have servicing and emergency repair networks throughout Europe.

Car fuel figures challenged

BY JAMES McDONALD

MANY OFFICIAL new car fuel consumption figures bear no resem*blance to real-life motoring,* according to the Automobile Association, the UK motoring organisation.

A survey in the AA's Drive magazine, however, shows that seven out of 10 motorists think the official Economic Commission for Europe (ECE) consumption figures displayed oo all new cars are "meaningful", and that four out of 10 are influenced by them when buying a new car.

But of 30 constant 56 miles per hour tests on cars picked at random from the ECE list, just over half were at variance with the AA's own 56mph test result by more than 10 per cent.

In one case – a Talbot Samba GL – the official test at a constant 56mph returned 61.4 miles per gallon. The AA, putting a Samba through the same trial on a test track, could obtain no more than 50mpg, a difference of 11.4mpg.

The magazine says test cars are carefully selected and prepared by the manufacturers, and so can differ sharply in fuel economy performance from production line models. Also, experienced test drivers can achieve much better economy than the average motorist, and the majority of ECE fuel-cycle tests, although overseen by government officials, are carried out by car manufacturers.

Most ECE tests are carried out in a laboratory on a dynanometer rolling road, while AA tests take place either on the road under actual driving conditions, or on a test track when constant speed figures are required.

Official figures, it is claimed, take no account of cold starts, since all ECE tests are carried out on thoroughly warmed-up engines. "A cold start plays havoc with fuel con*sumption, particularly in winter*".

In a comparison of AA overall average figures with the averages of three cycles of ECE figures, the article says: "Those cars which appeared worse on the AA's overall figures when compared with ECE tests included the Renault 5, Ford Escort, Volkswagen Golf Formel E, Renault 16 and 18, and the Peugeot 505.

"Those which appeared better on AA figures than on ECE figures include the Fiat 127 and Vauxhall Chevette and Astra."

Mr Peter Denayer, the AA's chief car tester writes: "Ideally, the tests should be carried out by the Government or by an independent laboratory and cars picked at random off the production line or showroom floor by an independent tester."

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

'Never wrestle with a pig'

Christopher Lorenz passes on advice to those executives about to appear on TV

THE TELEVISION interviewer is asking you about the effect on human health of your lead-laden products, of the asbestos you make, or of the *cyanide which someone* has injected into your most profitable brand of capsules.

Trying to appear relaxed, you lean back in your chair, give a charming smile, and reply. Or, as you quickly muster the necessary response, you glance sideways or downwards for a second.

Either way, it's disastrous. On the TV screen, you appear defensive, or evasive, or both. You have broken the golden *rules* of always *leaning* towards the interviewer—preferably from a position very close to him or her, near the edge of whatever seat the studio has deigned to give you—and of always maintaining eye contact.

If, on top of all this, you respond in like manner to the interviewer's aggression towards you or your company, then you're utterly lost. However beastly you feel he or she is being to you, the fact remains that you're talking to someone who's regularly invited into the viewer's home —even the bedroom—*like* an old friend (or something more exciting). It's you who's the outsider — and who must behave accordingly.

Instead of attacking the interviewer, you should attack the issues behind the questions—but remember to do it calmly and courteously. "Never wrestle with a pig—you'll both get dirty," says Stephen C. Rafe, the source of much of this advice.

Together with Walter J. Pfister Jnr, a veteran of more than 20 years in U.S. network television, Rafe — a long-standing public relations expert — owns the Executive Television Workshop, a New York-based communications training consultancy, which boasts many top U.S. corporations and organisations among its clients.

This almost unbelievably polished duo (both on the screen and off it) expound many words of wisdom, particularly about the relative unimportance of what you say on television (provided you do not make a gaffe), compared with the overwhelming significance of the way that you say it: "words account for only 7 per cent of the impact of your message," says Pfister, attributing the rest to voice and the host of non-verbal characteristics that together *make* up the overall message.

Yet Pfister and Rafe were *given by no means a smooth* hearing at a briefing for top European and overseas executives attending the European Management Forum's recent Davos Symposium.

Whether through discomfort at the *no-nonsense*, manipulative approach of such highly professional U.S. communicators, or through equally professional judgment that some cultures are still resistant to American communication techniques, a number of the executives objected to the Pfister-Rafe message.

After repeatedly interrupting the duo, in a style worthy of an aggressive interviewer, one *German* executive exploded: "It's frightening! You can package anything." A more reasoned reaction was that of Ashok Kapoor, an American executive who for years has advised Davos *participants in* the *techniques* of face-to-face negotiation.

Much of what Pfister and Rafe were advocating would be counter-productive in other cultures, he complained. In Japan and other oriental countries powerful people do not lean forward, he pointed out. Nor is it done to sit close to each other; even in Britain, with the new intimacies of breakfast television, presenters generally avoid the common American practice of sitting virtually in each other's laps (on the screen, at any rate).

There were fewer implied *allegations* of American cultural imperialism in response to Pfister and Rafe's assertion that other countries are increasingly indulging in the U.S. passion for more and more news and current affairs on TV—whether local, regional, by satellite, on cable, or through the traditional broadcast network services.

Instead of feeling defensive, and trying to run away *from* this phenomenon—"you can't escape it, even if you want to"—Pfister advised business people to seize the greater opportunities it offers to get their message across. Among his and Rafe's tips were:

- Get the key point up front in your reply—otherwise the interviewer or the editor in the cutting room may never let you get to it.
- Talk simply and directly—the retention rate of audiences *is* appallingly low.
- Don't ramble—the information you want to put over must come quick, fast and easy.
- Never repeat the negatives contained in a question—it reinforces them.
- Prepare for the interview by listing all the "positive points" you want to make—how many people your company employs, its safety record, its contribution to the community, and so on. "It's easier to get them into the interview than you think," says Rafe. "You don't just *have to answer the question* —you have a right to get across what you want to say," provided you don't make it irrelevant.

An admirable exponent of this technique is Irving Shapiro, the former head of Du Pont, whom the duo trained to appear with devastating effect on a highly-rated U.S. investigative entertainment show. At the Davos Symposium itself, this skill was also demonstrated by Arthur Scargill, the left-wing British miners' union leader. In stark contrast to his equally radical colleague on the platform, Petra Kelly, Scargill succeeded in "*bridging*" *some of the hostile* questions with positive points of his own. But Kelly created a far more negative impression by answering each question literally, and at great length.

For the executive interviewee—and presumably for anyone else Pfister and Rafe propose a "bill of rights." Among its 20 or so clauses are:

- "Not to be physically threatened or impaired by hand-held lights too close, or microphones shoved in your face"
- "To know the general content, subject or thrust of the interview . . ."
- "To be treated courteously"
- "To be allowed to answer without the constant harassment of interruptions, assuming your answers are brief and to the point"
- "In the film or tape editing to have the basic intent and flavour of your answers come through"

Whether every powerful TV interviewer and editor would agree to such conditions is an open question. In which case the executive is left with the dilemma of either taking the risk that he or she can be sufficiently assertive in the interview, or refusing to go on camera at all, and letting his or her point of view go by default.

Legal matters benefit from a bedside manner

In recent years company lawyers have climbed higher up the corporate ladder. Arnold Kransdorff talks to one of them

PETER CLARKE is a lawyer who thinks he is more like a doctor. When it comes to dealing with *management* colleagues at BICC, the British cable maker and engineering group, he finds that a good bedside manner is essential.

Not that he spends any of his working life in bedrooms. Or for that matter in court rooms. He spends most of it in ordinary offices. But he uses the analogy to describe how he does his job.

Clarke is chief legal adviser with the unpretentious title of company "solicitor." In private practice his relationship with a client would be reactive — he would spend his time responding to specific legal enquiries and drawing up relevant documents.

As an in-house lawyer, however, he has the opportunity to anticipate legal problems and thus do something about them before they get expensive to solve. To do this, he finds that he needs to employ the sympathetic skills of a doctor "to understand managers and their problems."

One day he could be negotiating an export credit or drafting loan agreements. On another he could be drafting conditions of employment or advising on health and safety legislation, and then suddenly *be called away to the Far East* to draw up a contract based on a tender which had passed through his hands *several* months before.

Clarke is one of a growing breed of British lawyers. Two decades *ago* there were relatively few who had crossed over from private practice into industry; indeed, until recently, the status of a company lawyer was never rated particularly highly.

Today there are few major companies which do not have a legal department — and all of them are growing despite the recession.

At BAT Industries, for example, the number of in-house lawyers employed in 1967 was five; now it is 14. ICI employs 25 lawyers and the National Coal Board 90. Nationalised industries tend to have rather larger legal departments than private industry.

Altogether there are now almost 3,000 barristers and solicitors — more than three times the number of two decades ago—directly employed by British companies. This is about 6 per cent of all practising lawyers and their average salary is around £20,000 a year.

This burgeoning sector owes its growth to a variety of factors, not least the impact of Common Market law. There has also been increased regulation

Ashley Ashwood

Peter Clarke: in a position to anticipate problems

at home in the fields of investor, *employee*, consumer and environmental protection.

On top of this, legal advice is often required in creating complicated fiscal structures in order to mitigate the effects of taxation on a company. Additionally, the recession has resulted in a higher volume of tendering, more formality in contractual arrangements and a greater willingness to resort to litigation.

In the U.S. in-house lawyers have been common since the early 1950s. In many cases lawyers there have moved into line management.

This is still relatively unusual in the UK; some become directors—but they then usually relinquish their operational responsibilities as practising lawyers. More often they become company secretaries.

Clarke's career pattern *is* typical of the route taken by most solicitors who end up on the commercial side of the law; *soon* after completing his articles in a small private practice in the City of London he moved directly into industry. His reasons were twofold—in private practice he could not get close enough to the world of business and the *money* was better in industry. Since then his career has moved fast. By the age of 34 he had been promoted to the company's *most* senior management grade.

Clarke joined BICC in 1971 as an assistant solicitor ostensibly to specialise in unfair dismissals. The ill-fated Industrial Relations Court had *recently* been set up to comply with the provisions of the Industrial Relations Act 1971.

In the event, BICC decided it would be more prudent to have its representations in court handled by group personnel *officers rather* than a solicitor, leaving Clarke without the brief he was originally employed to hold.

Instead he turned his hand to general commercial work and in particular the construction *side* of the business, *where* he got involved with matters like advising on tenders.

Eight years later he was sitting in the chair left vacant after his boss retired. As BICC's chief legal adviser he now, at 37, manages a department of eight solicitors.

Early promotion like this is no longer very unusual—the top *solicitor in* BAT Industries, for example, is only 38. In terms of rank many of them—including Clarke—sit just below board level and report directly to the main board. Clarke and his colleagues regularly sit in on main board and subsidiary board meetings.

It is this close relationship with the company that gives the edge to in-house lawyers over their outside counterparts, and is one of two main reasons why more companies are creating *their own legal departments*.

In the first place companies are finding it cheaper than using outside legal services, although the trend has not meant that companies have stopped using private lawyers. Rather, larger companies generally use them only for specialist briefs.

Although he is reluctant to divulge figures, Clarke estimates that BICC's legal budget is probably half as much as it might otherwise have been if it had used private lawyers exclusively.

Secondly, many companies—including *BICC—feel that they* cannot rely on outside firms to keep an eye on those developments (both inside and outside of the business) that are likely to affect trade.

Clarke, who still uses outside lawyers for *litigation*, rights issues and queries such as the provisions of the new nationality laws, admits to being a "general practitioner—a jack-of-all-trades and master of none." But unlike the outside lawyer, he believes he is in a better position to anticipate problems long before they occur.

Apart from giving management immediate access to legal advice, Clarke believes that in-house lawyers are also generally able to be more positive in their advice than outside lawyers, who, he says, tend to be "more cautious."

"The actual legal content of work done in my department is relatively small. We spend most of our time trying to find the commonsense solution to getting more business against our background knowledge of the way the group works, our familiarity with strategic objectives and our legal training.

"We tend to feel ourselves part of the sales team."

FINANCIAL TIMES SURVEY

Friday March 18, 1983

Refurbishment

The refurbishment industry is one of the few buoyant sectors in the construction industry and has even gained from the recession as more landlords and investors consider updating premises rather than a complete redevelopment

A spruce up for London's Piccadilly Arcade: Refurbishment was by Walter Lilly for Capital and Counties

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When an ill wind brings benefits

BY WILLIAM COCHRANE

PROPERTY REFURBISHMENT remains one of the few buoyant areas in the depressed UK construction market. It can be said to have survived, indeed gained from three recessions which are running in parallel at the moment—long term for construction, medium for the economy and relatively short for the property market.

For political and economic reasons, developers, investors and existing property owners have increasingly favoured the refurbishment option since the early 1970s. Cities with established commercial centres of good architectural quality naturally want to preserve them, so planning permission is easier to get. In general terms, too, refurbishment is both cheaper and quicker than redevelopment.

The economics of refurbishment, job by job, still vary between multi-million pound exercises with massive sums calculated on the back of an envelope, and almost microscopic space saving exercises done at the margin.

Refurbishment costs vary, especially in the extent to which mechanical and electrical engineering services are modernised or replaced, but £50 per square foot of space is a reasonably generous allowance.

The returns are in some cases considerable. It is possible to think of one massive building in the City of London's banking and insurance "core" which, according to the experts, could add £30m to its investment value for the expenditure of £6m in refurbishment costs.

Mark Fenton of architects Newman Levinson can think of jobs where it is even worth taking out chimney breasts to get another 10 sq ft per floor.

"Where the expertise comes in," he says of his profession's contribution, "is to get the maximum lettable floor space out of the existing structure."

This sort of exercise has produced an enviably steady record for the sector. By 1981, according to the National Economic Development Office, repair and maintenance work in the construction industry had risen to £3.82bn at 1975 prices from £3.35bn a decade earlier, despite a 10 per cent fall in 1981 itself. New construction output, in the same period, had slumped from £9.91bn to £5.75bn.

The work is geographically widely spread, even if the sheer size of London's City and West End mean that the most attractive refurbishment opportunities tend to happen there. Mike Warner of agents Richard Ellis can think of centres as far apart as Aberdeen (where refurbs command higher rents than new office properties) and Bristol, with Glasgow, Edinburgh and Reading notable among other centres.

The content, and quality of jobs varies, from barely disguised redecoration to virtual redevelopment within an existing shell, from painstaking renovation of historic features to the clearly stated view that preservation can be taken too far.

Restoration

But prestige can be made to pay. It is interesting, for example, that a year ago John Mowlem was talking about job *locations including Westminster* Abbey, Hertford House (housing the Wallace Collection) and the Palace of Westminster. No development bonanzas there, one supposes.

Earlier this year Mowlem Property Developments formed part of a development partnership to undertake the restoration and development of the Bath spa properties.

This would involve the complete restoration of the Cross Bath, which would be handed back to the city council as a working spa pool. The Old Royal Bath and Beau Street Bath would be restored and redeveloped to provide a magnificent new spa water treatment and relaxation centre to be run by Blakeney Hotels, owners of the Royal Crescent Hotel in Bath and the Sloane Club in London, and Mowlem's partner in the development.

Not only that, but it was also proposed that a new, quality shopping arcade be developed with access direct from Bath's main shopping location.

Yet, among the 16 or so companies which describe themselves as specialist refurbishment contractors—Higgs and Hill, Wates, Wiltshiers and *Trollope and Colls (City)* among them—there is an element of concern about the incursion of civil engineering giants, starved of their own traditional work by public expenditure cuts, into the more healthy restoration and renovation area.

Leslie Andrews, commercial director of London refurbishment specialists R. Mansell whose "classic" was the seven-year phased refurbishing of the London Chamber of Commerce building in Cannon Street in the City, takes a distinctly positive line, however.

"All of us engaged in the building industry were faced with a difficult choice at the beginning of the recession," he says. "We could either condense or shrink in line with the gloom that was forecast, or adopt an aggressive, expansion policy and redouble our efforts along a chosen path.

"Those of use who got it right have fared well," says Mr Andrews, "and we are now poised to continue with a controlled expansion programme."

The recession, he thinks, has helped builders in two important ways. First, less work for some meant that others in more buoyant areas of the construction industry could be assured that vital supplies of raw materials would be delivered on time.

Secondly, many companies were not inclined to move to new premises in the teeth of an economic downturn. "These firms," he says, "sensibly decided to modernise and refurbish existing offices, thus creating more space and, at the same time, a greater income potential."

From all this, one gets a picture of an industry subsector which may be the last to be affected by recession, and the first to rise on recovery. However, it may be that the recession closest to home—in property, itself—is currently slowing refurbishment work, or at least the decisions which lead to it.

Richard Ellis's Mike Warner points to one area of concern. "I believe that as recession has hit the construction industry the planners have been able to spend a lot more time considering fewer applications, and now seem to be seeking higher requirements on developments."

In an ideal world, that might be for the best. But, Mr Warner continues: "With regard to refurbishment, this may well mean an increasing desire to retain features from a former period, and this will probably mean that we shall see more refurbishment behind existing facades which in architectural terms is not always considered the best solution."

Richard Ellis, here, might have been echoing Hammerson Property and Investment Trust earlier this year, when a public inquiry opened in London into its proposals for demolition and rebuilding of a City of London site on the corner of Fleet Street and Whitefriars Street.

Hammerson wanted 34,000 sq ft of new offices. The City wanted either a refurbishment or a redevelopment behind an existing facade which Hammerson described as "not glamorous."

Strong option

That a developer might now hit back against refurbishment for the sake of it is interesting. Gerald Blundell, an economist with the research department of Jones Lang Wootton, notes that while redevelopment generally costs more, it also lasts longer. The cost of money has fallen to the point, he thinks, that landlords can afford to consider redevelopment as a strong option again, if development of any sort is contemplated.

At the same time, the property industry is in the depths of a recession which started in the lettings market, but is now coming through to investment. Oversupply in London is being exacerbated by big tenants moving out of the centre to cheaper areas.

JLW is already on record as saying that the 10m sq ft plus of gross office space to be completed in central London during 1982 and 1983 will provide a severe test of strength for the property market.

The present year, therefore, may see some principals biding their time on investment decisions while they wait to see which way the market is going.

When they decide to move, there are two over-riding considerations which should keep refurbishment in the spotlight. First, there are a lot of 1960s buildings coming back on to the market, perhaps too well built to knock down but certainly out of date in their services, and general use of office space.

Finally, given the general view that, shops apart, this country is oversupplied with commercial property, it seems unlikely that councils will become any less restrictive over new office developments in city centres.

COSTS OF FOUR REFURBISHMENTS OF LONDON OFFICES

Specification: Approximate date of building 1800. Floor loadings increased, some structural work, new lift, air-conditioning to very small part.	Specification: Approximate date of building 1835. Building in good condition, no increases in floor loadings, new stairs, lift, no air conditioning.	Specification: Approximate age of building 1920. Some structural work, new windows, new lifts, no air conditioning.	Specification: Approximate age of building 1950. No new lifts, refurbishment of lift lobbies, new air conditioning.
Lettable office space £473 per sq metre (£44 per sq ft).	Lettable office space £402 per sq metre (£37 per sq ft).	Lettable office space £405 per sq metre (£38 per sq ft).	Lettable office space £447 per sq metre (£42 per sq ft).
Toilets £988 per sq metre (£92 per sq ft).	Toilets £1,570 per sq metre (£146 per sq ft).	Toilets £1,235 per sq metre (£115 per sq ft).	Toilets £764 per sq metre (£71 per sq ft).
Landlords common areas (lifts, halls, stairs etc) £842 per sq metre (£78 per sq ft.	Landlords common areas (lifts, halls, stairs etc) £762 per sq metre (£71 per sq ft).	Landlords common areas (lifts, halls, stairs etc) £997 per sq metre (£93 per sq ft).	Landlords common areas (lifts, halls, stairs etc) £258 per sq metre (£24 per sq ft).
Overall £536 per sq metre (£50 per sq ft.	Overall £492 per sq metre (£46 per sq ft).	Overall £516 per sq metre (£48 per sq ft).	Overall £436 per sq metre (£41 per sq ft).

All schemes have good quality finishes for commercial lettings with carpeting, lighting and suspended ceilings. All costs are adjusted to February 1983 pricing levels.

Source: E. C. Harris and Partners

Specialists who can compete with giants

Contractors

WILLIAM COCHRANE

THE RECESSION elsewhere in the construction industry has encouraged major civil engineering groups to move into refurbishing, Taylor Woodrow, Wimpey and French Kier among them.

Mr Ron Coley, head of marketing at Wates Special Works, reckons that there are 16 specialist refurbishing contractors already in the market; and though he describes tha amount of business around as "mind-boggling," the specialists clearly have to work out ways and means of dealing with the incursion of the giants.

Mr John Lelliott, head of the company which bears his name, takes the situation quite seriously. "This is our third recession in 20 years," he says, "but this is the only one which has had any effect on business.

"Over the last 12 months, life has been pretty tough for contractors our size," be notes. "Until the Government opens up public sector work, contractors unused to refurbishment work will be coming in to keep their workers employed and taking jobs on tender lists well below cost.

"Tendering at the moment is bad news," he says. "If you are on a straight tender with six people you won't get e job unless you price at around net cost."

Most of Lelliott's contracts are in the City and West End of London, averaging somewhere between £¾m and £1¾m apiece. Mr Lelliott says that the company's normal strike rate on tendering is one job to every three or four for which it tenders.

"We reckon that we know what the true net cost of these jobs are," he says. "Some are being secured at anything between 5 and 8 per cent below net cost."

Round at Trollope and Colls (City), where a tightly controlled job on the Royal Exchange for the London International Financial Futures Exchange (LIFFE) was perhaps the high point of last year, marketing director Petrick Trollope says: "We are sitting tight.

"We'va been through it all before," he says. "In the long run, well-established clients who want a proper job done will come to established contractors." A surprising number of clients are saying "no" to cheaper prices, says Mr Trollope, possibly looking beyond the recession to a time when the big boys have pulled out again and the specialists once more have more work than they can handle.

T & C's regular clientele takes care of more than half of its business, he calculates. Banks, insurance companies and "good business houses" are the examples he gives and which suggest that the owner occupier might see the long-term sense in not paring a contract when he is investing for himself.

"But certain enlightened property developers think the same," be says. "They ere fed up with the shift in emphasis from contracts to claims and not knowing what the job will cost until right at the end of it.

"Some of them have said that they want to negotiate the job with us," says Mr Trollope, which boils down to saying that the tender price can sometimes be more important than other aspects of the job—such as, in the case of the Royal Exchange, an extremely tight completion schedule.

Ron Coley of Wates goes back a long way on this question. "We formed a specialist division in 1968," he says. "We saw what was going to bappen in refurbishment and the way it was going to bappen—tha way the social and economic climate was going to move and the implications for the company and the industry.

"By about the mid-1970s," says Mr Coley, "we had a tight, successful team. The balance of our work at the moment is divided as to 40 per cent in the public sector and 60 per cent in the private"—the latter taking in Unilever House at the north end of Blackfriars Bridge, which featured in this survey last year as a classic in its field.

"Getting the economics right" is a favourita Coley phrase. "There are many post-war buildings which no longer meet the requirements of the 1980s and 1990s," he says, listing air conditioning, solar glazing and np to date computer floors as prime examples.

Underlying it all is the feeling that the specialists have the expertise to take on difficult jobs. Ron Coley instances the public sector where Wetes, *inter alia*, is doing large-scale remedial work on post-war residential tower blocks.

"The landlords, naturally, are keen for us to do it while people remain in occupation," be says. "We have become very skilled in bandling the problem economically, with the least possible hassle to tenants."

Leslie Andrews, commercial director of R. Mansell, develops the theme: "We have had to become past-masters in operating in cramped surroundings with limited ecess and in minimising the disturbance to business, not only in the building where we are working but also in adjoining buildings."

"Our own secret is short communications," says Mr Andrews. We have three self-contained offices, one in the City, one in Westminster and one in Croydon, which is also our headquarters.

"Each office has a self-standing team of decision makers and technical staff and can mastermind the jobs in its own area," he says. "We like to think that our decision makers are only 15 minntes away from any job."

If there are problems involved in refurbishment's isolated growth status, Mansell is happy to tackle them. "In the past four years our own turnover has doubled to £32m per annum," says Mr Andrews: "We are confident thet our decision to become one of Greater London's 'great refurbishers' will contince to reward our efforts . . ."

Ashby & Horner, which can list four current jobs worth nearly £19m altogether, sounds prepared to take on the competition with little respect for its sheer size. "People come and try," says director Jim Thornton, "then perhaps they catch a cold and move out again.

"In general," he says, "this has been the trend for four or five years. We live on our service and reputation." Ashby & Horner, clearly, in no way eqnate that with resting on their laurels.

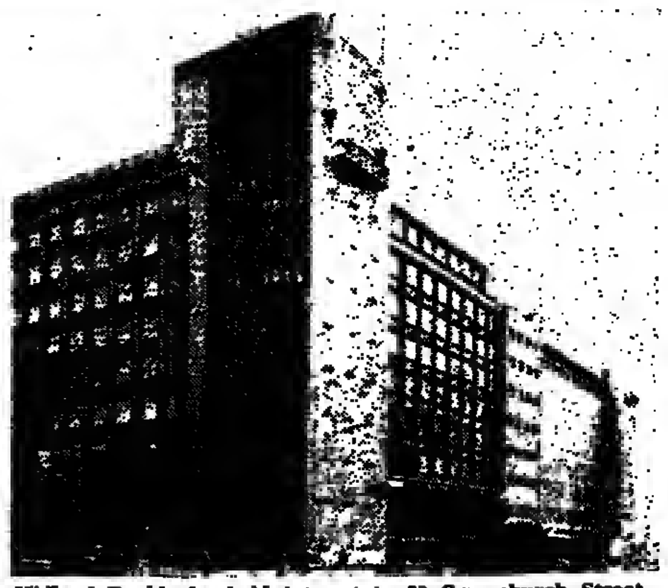
"We have to do the job demonstrably hetter than the new boys," says Mr Thornton — and this is only one way the company keeps its reputation alive. "In eddition," he says, "we have to look et what we are offering and see new ways of improving it."

Mr Thornton is in an interesting position from which to take a view, having recently returned to head office after six years as managing director of an Ashby & Horner subsidiary in Bahrain.

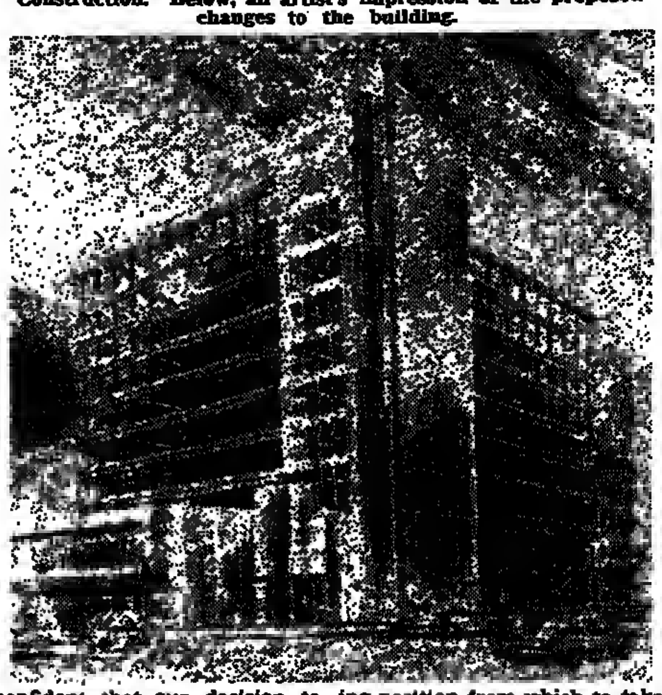
"Five or six years ago," he notes, "the architect was unchallenged team leader. Now there are many more opportunities for the contractor to go out and sell to the client, either in conjunction with a team or as team leader itself."

He also sees more willingness on the part of the contractor to share its expertise with the design team. "Previously, this was a business of confrontation," he says. "The ground rules were set and if anyone went wrong the other members of the team would hit him bard."

Now, it seems, team members will help each other out. This attitude to refurbishing as an industry within an industry, with its own internal rules and loyalties, could be the most important single reason why the specialists continue to thrive.



Midland Bank's freehold interest in 60 Gracechurch Street (above) has been acquired by London and Metropolitan Estates, tha Second London Wall Group and Balfour Beatty Construction. Below, an artist's impression of the proposed changes to the building.



Suitability for letting more closely examined

Institutional attitudes

LORNE BARLING

INSTITUTIONAL attitodes to refurbisbed property whila *generally favourable must now* be seen in the light of the increasing amount of new and high quality space which is coming on the market, particularly in central London.

Although institutions normally apply a set of well-known criteria to their property investments, the suitability for letting of premises is now being examined far more closely, with longer-term considerations weighing heavily.

In this decision-making process a number of relatively new factors are heving to be considered, some of them requiring inspired judgment. For example, the impact of new office technology on the voluma and quality of office space remains e somewbat unknown factor.

Similarly, the longer-term effects of a continued exodus of office occupiers from London to the provinces, and its effects on *demand* and *rent levels*, have yet to be fully assessed.

According to Mr Tim Simon, partner in charge of investment at Savills, institutional demand for prime refurbished property remains strong, although there was a notable preference for occupied offices. "It would also be fair to say that the funding market is not particularly easy at the moment," he added.

Although tha effects of the movement of office functions out of London were not yet clear, there could be some benefit to refurbishing, be said, since large amounts of office space which became vacant would probably be split into smaller units, creating additional work.

It was also probable that movea by big companies would mean thet the smaller numbar in London would need new premises, perheps in period buildings refurhished to a very high standard.

Moreover, institutional attitodes to such properties would be favourable, althougb depending to a large extent on location, which was in any case an increasingly important factor in view of the amount of development taking place outside the prime areas of London, such as in the dockland area and on the south bank.

The attitudes of institutional investors to 1950s and 1960s buildings refurbished to a high standard was also generally good, partly dua to the innovative architectural approach to them which had resulted in many being given an almost new appearance both inside and out.

However, there were certain aspects of these buildings about which investors had reservations, such as the height of ceilings and the numbers of interior pillars, although by skilful means their floor area could sometimes be increased.

Institutional owners of huildings of this period often had little option but to consider refurbishment when leases fell in order to remain competitive. In terms of quality and in terms of cost this option was often attractive.

"Attitudes to refurbishment have changed considerably in the past few years, and most peopla see the advantages of it, but the main criteria in older buildings remains floor loadings," *Mr Simon said.*

Although the retention of facades, and where necessary the complete rebuilding of period properties presented no great problems (and was indeed preferebla in many cases to improve space ratios) there was evidence of more strict control over the retention of certain sections of these huildings.

"This is unfortunate, because it could create a divergence of ways as institutions become more and more concerned with the level of floor loadings," Mr Simon said, adding that flexibility was essential in dealing with the refurbishment of some buildings.

He believed that the policies of most funding institutions were similar, although some were prepared to retain a *higher proportion* of refurbished property than others within their overall portfolios.

"The factor which is constantly at the back of their minds is how well a property is likely to do on rent reviews, which are probably some way off. It is a matter of trying to read the market soma way aheed," he said.

One of the prohlems of period property was the potential lack of flexihility due to *restraints on what modifications* may or may not be allowed.

Overall, it appears that there could be increased demand from funding institutions for smaller period properties in the best locations of the major cities, particularly those which have been refurbished or rebuilt behind facades to a standard which provides adequate floor loadings.

These are expected to be ideal as prestige offices of large companies which have decentralised many of their functions and require e small, highly efficient headquarters containing the most modern office equipment and a *relatively* small staff.

It is also possible, according to leading agents, that institutions will take a more cautious approach to *refurbishing* in general in the short term until a clearer pattern on the direction of office property emerges.

كمال عبد الجليل

REFURBISHMENT III

Urban renewal schemes provide a spur

ONE OF the prime reasons for the continued strength of demand for refurbishing work, which has been particularly consistent in London, appears to be the belief that costs are unlikely to remain as low as they are now for very long.

Property owners are well aware that the recession in other sectors of the construction industry has made refurbishing a very crowded and competitive field, and they are going ahead with projects despite the increase in available office space in most parts of the country.

Initiatives in many provincial cities to speed up urban renewal have also resulted in more refurbishing work, which can be expected to increase as a result of less government restraint on local authority spending.

There appears to have been little shift in the ratio between the cost of new building and refurbishing, with the latter remaining an attractive option in a high proportion of cases, but there is evidence of closer planning scrutiny on many projects.

According to Mr Mike Warner, associate partner at Richard Ellis's building consultancy department, recession in the construction industry has given planners a lot more time to consider applications, with the result that they are seeking higher requirements.

"This may well mean an increasing desire to retain features from a former period, and will probably mean we shall see more refurbishment behind existing facades, which in architectural terms is not always considered the best solution," he said.

"Our experience with historic buildings is that they are now seeking to retain more of the original features without any regard to the practicability of meeting today's user requirements, but this may be only e small sample and cannot be taken to be general ecross the whole field of planning control."

Mr Warner added that there was now e discernible trend in areas where there is a lot of new building for existing owners to be forced to consider refurbishing their existing stock. This was becoming necessary for them to maintain a competitive position in the market when leases came to an end.

"This means that the volume of new building is perforce creating a refurbishment market in competition, if older buildings are not to be vacated by their tenants at the time the leases come to an end," he said.

An increasing number of large retail units have been looked at for refurbishment

Trends

LORNE BARLING

this year, according to Mr Warner, such as Bealesons et Bournemouth, where the property is being altered to provide a number of smaller units.

"There are a number of others in be pipeline, and this probably correlates with the investment trend towards retail units, and the effectiveness of this type of refurbishment will only be proved in a couple of years' time," be added.

On the question of costs, Mr Warner said that although inflation had slowed down in the construction industry, there was probably still greater pressure of inflation on refurbishment costs, due to the need for skilled labour and the "fiddly" nature of the work. "Costs in this area will certainly hold up more strongly than new build costs which have been subject to savage market competitive pressures."

Mr Warner believed that three major factors still governed refurbishment, and these remained unchanged from year to year.

The first was the effect of the lease pattern on the ability of the landlord to get access to e building to carry out major works.

The second was that location still created the prime opportunities for refurbishment or rebuilding, and the extent to which the building had already gained a favourable plot ratio or bad listed facades, would determine the feasibility of refurbishment as opposed to demolition and new build.

Finally, the inherent difficulties of refurbishment and the restrictions on space planning still militated against refurbishment, although if coupled with inevitable repairs the effect could he offset.

One of the most spectacular developments in refurbishing recently has been the modernisation of 1950s and 1960s buildings through the addition of external cladding which changes their often dreary appearance sharply.

This is of course linked with internal improvements such as new heating systems and double glazing. In many cases architects are faced with very basic interiors, including PVC floor tiles, underfloor heating (which is usually removed), no false ceilings, and a great deal of exposed service equipment which is no longer ecceptable.

However, refurbishment of these buildings cao be carried out relatively quickly and often et reasonable cost, hearing in mind the great improvements which can be achieved.

A good example of this type of refurbishment is 26-28 Bury Street, e Richard Siefert building constructed in 1965, which by 1979 had deteriorated to an extent where finishes were breaking down and the principal services had reached the end of their useful life. As the owners, Artagen (now Sun Life Properties) had the option to terminate the lease et 14 years

This reception area et 26-28 Bury Street, London, was created by Richard Ellis Building Consultancy Department

which they exercised.

According to Richard Ellis, this choice was exercised as financial studies proved the benefit of radically upgrading the quality of the existing accommodation. The contract was caried out hy Wates Special works.

Additional gains were achieved mainly by converting a loading bay and car parking facilities on the ground floor to office use, and extending the existing fourth floor offices towards Bury Street, increasing the net floor area from 11,500 sq ft to more than 16,000 sq ft.

The total re-cladding of the exterior was carried out by using heavily insulated hook-on bronze anodised aluminium panels, with the double benefit of improving the insulation of the building at the same time as adding a waterproof and durable exterior.

The panels were complemented by the installation of double-glazed opening windows and black anodised aluminium frames, while there was a total revision of all electrical services. All trunking was designed with three compartments to allow for the wiring of visual displey unit outlets. Full eir conditioning was installed, and new false ceilings assisted in bringing the building up to a high standard.

Another two buildings receiving similar treatment ere Export House and Hillgate House on Ludgate Hill, where Trollope and Colls are undertaking major refurbishment through the addition of exterior cladding and a thorough renewal of interior services and fittings.

Mr Patrick Trollope, managing director of the company, said: "There is still considerable life in buildings of this type and scope for improvement." In some cases services could be moved outside the building, providing edditional space inside.

Office renewal with minimum disruption

Project moves ahead while occupants stay put

REFURBISHING office premises while they are occupied is not generally recommended, because of the disruption to company work and the additional difficulties imposed on contractors, but in some circumstances it can be successful.

However, projects of this kind normally require very precise planning, ensuring thet office staff do not have to be moved more than is absolutely necessary, and that the work is completed as quickly as possible.

An example of such a project is that recently started et Iron Trades House, a seven storey building in Grosvenor Place, Westminster, constructed during the 1930s, occupied by Iron Trades Insurance Group and some of its tenants.

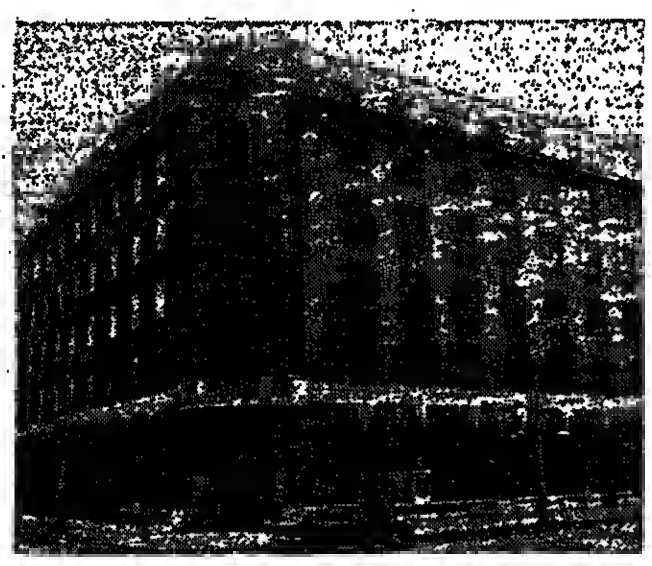
Management of the company had become aware that improvement or refurbishment was becoming necessary, but equally importantly, it was recognised that the available space could be used more effectively, creating increased square footage for letting.

Over the years, with changing emphasis to different company departments, the uptake of space had become over-generous and too dispersed. A master plan for the reorganisation of accommodation within the building was therefore devised by Mr Rowland Buck, a partner of John D. Wood and Mr Ian Hurlstone, chief architect of Hunter and Partners, architects and surveyors.

At about the same time the fifth floor of the building was vacated by tenants, creating vital space which could be used while work was in progress.

The refurbishment and upgrading will include the fitting of suspended ceilings, light fittings, e raised floor system, the redesign and upgrading of toilets, together with external cleaning of the building and the renewal of existing steel windows with double glazed units. The total cost will be around £1m.

However, this will be offset over a period by increased letting space. The building, which is in excess of 80,000 sq ft



The seven-storey Iron Trades House in Grosvenor Place, Westminster, refurbishment took place with the building... still occupied.

Case study

LORNE BARLING

gross, will have an additional 8,000 sq ft net of office accommodation for letting, improving the net to gross ratio by more than 10 per cent.

Mr Hurlstone said thet eddi-tional space would also be achieved by converting certain areas to office use. The erection of an eddi-tional storey was not possible for planning reasons, although it was examined as an option.

The master plan for the project, on which work has recently started, is related to organising the existing and replanned occupancies to achieve overall refurbishment with minimum disruption and not more than one move by staff.

"All contract work is systematically specified to agree with a key critical-path programme established and agreed with the occupants and tenants. Allied activities, such as the reorganisation of the telephones and ordering of new office furniture, has been co-ordinated as part of the master plan," John D. Wood and Hunter and Partners said.

"By the reorganisation of the eccommodetion, the Iron Trades Insurance Group will have, on the one hand, achieved e more efficient unit for their own use, together with totally modern office standards, and will have realised the under-used potential of the building to create an income."

Mr John Bolton, group company secretary, said there was little donht that e lot of space had not been put to its best use since some of the company's functions had been moved out of London. Indeed, refurbishment was long overdue.

"We should bave done something a long time ago, but when the Society of Motor Manufacturers and Traders moved out of the fifth floor it provided us with an opportunity to go ahead," be said.

Although all company work which requires the use of a large computer is carried oot off the premises, the installation of a raised floor was decided upon since it would give access for the installation of visual display units, and other electronic equipment where necessary.

Mr Bolton added that although a high standard of refurbishment would be carried out througbout the building, accommodation provided for tenants on the fourth and fifth floor would be slightly better than in tha space used by the company.

A project such as this illustretes, in general terms, that improved returns on property can be achieved through investmeot in the upgrading of premises and more efficient use of space, although other properties are unlikely to have as much easily gainable space as in this building.

Demand for greater flexibility in office planning

More space sought for electronic systems

Fitting-out interiors

LORNE BARLING

WHILE THE cost of fitting out office interiors has remained stable in real terms in the past year, with strong competition among contractors and only small increases in material costs, there have been a number of changes in the requirements of office users related mainly to the installation of new types of equipment.

According to a fitting out cost index produced by Space Planning Services in conjunction with Eastall and Hamilton of Cirencester, the increase in costs has been about 3 per cent in value since June last year, continuing the rate which was typical of the whole of 1982.

Space Planning Services said: "This increase is due mainly to industry wage awards, but the effects of these have been offset by contractors' efforts to hold material costs and preliminaries costs. Competition for work is keen and if sufficient time is available, the tendering process can save money."

The projected increase to July was again 3 per cent, the company said, suggesting that a very competitive climate would persist through the first half of this year.

Mr Elliott Chase, the company's research and marketing co-ordinator, said one of the most notable trends in offices was the use of raised floors to provide greater flexibility and access for power, telephone and data cables.

This flexibility was not always found in speculative buildings but was increasingly important as more and more electronic equipment came inte use in offices.

According to Mr Chase demand for raised floors was not yet particularly widespread, but there had recently been some contracts for large areas of floors to be covered, indicating that it was regarded as worthwhile in terms of initial cost and potential savings.

Also, the increased use of word processing, visual display units and other new electronic equipment was creating the need for better planning and more flexibility in offices, ensuring that the best coodritions were created for efficiency of operation.

VDUs, for example, needed to be positioned away from windows and lighting arranged to avoid glare from screens. The best way to achieve this was to find the best positions for VDU's and structure the rest of the office round them.

There was now an increasing amount of competition in the lighting field, with a significant shift towards the use of uplighters, which generally avoided any reflection on VDU screens; VDUa were in any case being fitted with non-reflective surfaces in some instances.

Other recent changes included the increased use of blinds on all windows, allowing the light level in the building to be reduced, as well as solar heat gain.

In general, there was evidence of a significant rise in the quality of office interiors, both in terms of design and materials used, perhaps as a result of the rising expectations of staff.

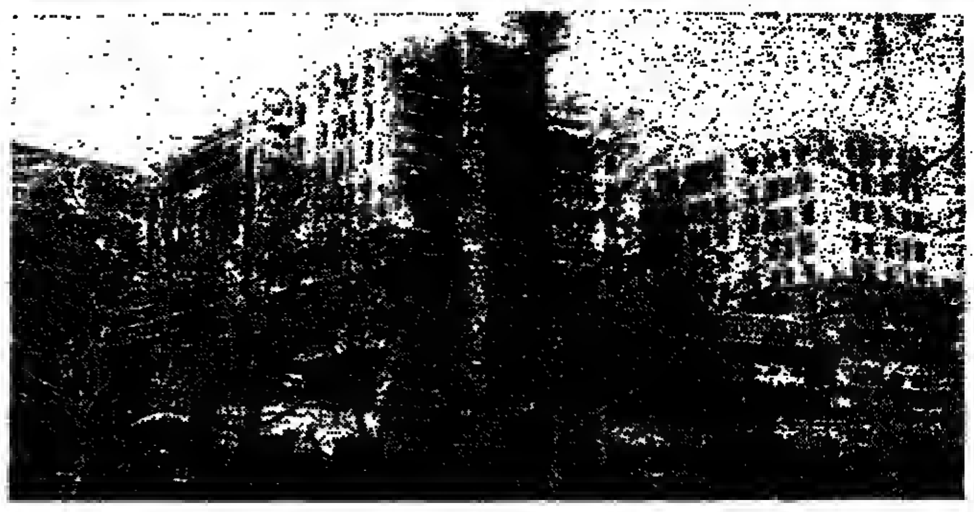
Space Planning Services is one of about six specialist interior planning, design and management companies operating in the London area, although similar services are offered by a number of architectural companies.

Mr Chase believes that clients have generally benefited in the past year from increased competition among fitting-out contractors, and he said that demand for work was generally strong, with the result that his company was looking for more consultants.

"Last summer there was clear evidence that demand had slowed down, but over the past few months there has been a distinct improvement, with much less hesitation on the part of prospective clients," he said.

The prospects for increased interior work in the London area is now regarded as good, partly due to the movement of office staff ont of large blocks to the provinces, and the consequent need to change their furnishings and fittings.

The planning of interiors is also regarded as more important now than ever before, not only to achieve flexibility but to establish consistent style and colour throughout a company's offices. The impact of reception areas on customers, and the effects of working conditions on staff, are both recognised to be of considerable importance.



A £19m refurbishing scheme for Adelphi Building, between the Strand and the Thames is being carried out by Higgs and Hill for Town and City Properties

The role of architects, office planners, surveyors and engineers

Dividing lines become blurred

Professions

WILLIAM COCHRANE

PROFESSIONAL ROLES in the refurbishment process are clearly defined — architect chartered and quantity surveyors, structural, mechanical and electrical engineers. Dividing lines have become blurred in recent years, and whether this is a response to clients' requirements or a cyclical fad for horizontal diversification remains to be seen.

Meanwhile, the jobs still have to be done. Traditionally, the architect has been team leader as Mr Mark Fenton, a partner of architects Newman Levinson, observes.

"We would inspect the building, and advise the client what could be done in practice," he says. "Then we would consult with the authorities, inclnding the planners, to get out a sketch scheme, and with engineers if questions of floor loading or upgrading were involved."

If a new scheme were in mind the architect would have to see that it would pass with various authorities, including the fire service and utilities. Then he would get down to working drawings, and in parallel liaise with the quantity surveyor.

The scheme would then go out to tender, or possibly on a negotiated contract basis and, with the contractors selected, the architect would run the job right the way through to correcting defects at the end.

The lines blur right here. Some clients, and contractors regard the architects' role as interchangeable with that of the chartered surveyor. Mr William Woodward Fisher of Chesetertons, responsible for a classic finding, funding and refurbishment operation on two former Royal Bank of Scotland freebolds in the City of London's Lombard Street, sees the surveyor's role somewhat differently.

In fact, it is a succession of roles. "The development surveyor," he says, "puts the deal together; introduces the building to the developer; then advises the developer what the market wants, what sort of building can be put up and, more particularly, tells the developer what rent he can get for the building when it is finished."

The investment surveyor's hat is worn, he says, if the developer does not have his own money. Then the surveyor goes to the market and finds funding.

Then as the agency surveyor, with the question of letting in mind he attends monthly meetings to ensure that the building meets current requirements of the tenants. As the building approaches completion he will decide whether to try for a pre-let or to wait until the building is finished—depending on the market, the nature of the building, even the nature of the funding as some funders want a pre-let as early as possible.

As a final note, if the development is speculative, once a tenant is found the agent will sell on the building to an investor. "These are only a few of the roles," says Mr Woodward Fisher.

While others may argue about who takes the lead—"It is a matter of people, not labels," says Patrick Trollope of Trollope and Colls (City)—the quantity surveyor seems to be the linch-pin.

"In the broadest terms," says Douglas Pritchard, a consultant to quantity surveyors E. C. Harris and Partners, "we are in control of finance for the building project from start to finish."

The quantity surveyor would, he argues, expect to start by estimating approximate costs of the work, which would set a budget for his client. Costs would be planned so that tenders could meet the budget—"we have to liaise with designers to make sure that their proposals can be afforded," he says.

Then the quantity surveyor would get on with the preparation of contract documentation which normally comprises a schedule of quantities—quantities of labour and material required to carry out the work.

The statement of quantities is sent to, say, half a dozen contractors who price it, and use it as a basis on which to tender. The tenders back, priced, and a selection made, the team gets on with construction, during which the quantity surveyor would advise the client in regard to monthly payments on account—"so that he knows he has value in terms of bricks and mortar."

Mr Pritchard notes, at this stage, his responsibility to price any change orders (variations in the contract) which may be given. Ultimately, he would settle the final account.

Cost escalation is where the skill comes in, he says. "We estimate at current prices for particular jobs but we have to make an assessment of how prices are going to move in future."

A feature of buildings thirty or forty years old is that mechanical and electrical services tend to be out of date—even more so given that a present refurbishment is building for the 1990s as well as the present decade.

Jeffrey Gosnell, a partner in consulting engineera Ehrlich and Gosnell, says: "The current trend is to a high standard of services with an even higher degree of flexibility."

In the normal run of things, E and G would do their service design which would go out to tender, a sub-contractor would be chosen and the firm would then supervise the job, and commission its installation on completion.

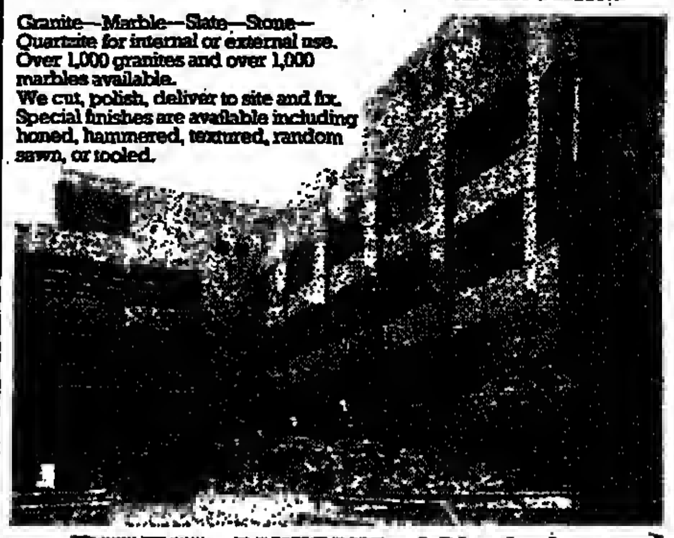
That leaves the structural engineer's job. Stefan Tietz, of consulting engineers S. B. Tietz and partners, encapsulates it this way: "It is not easy to tell how an old building is behaving — how it is standing up now and, with what is proposed, how to modify it and keep it standing up."

The structural engineer, he says, should look after all structure, all foundation and exploration work, probably all draining in the ground and have an overview of all tenders on structural matters.

Mr Tietz has led in refurbishment contracts himself, and notes a tendency on the part of owners to deal directly with consulting engineers when they have structural or services defects in mind.

It may be a question of horses for courses. Patrick Trollope of T and C (City) sees a tendency among smaller developers to want one person to deal with, rather than individual members of a given refurbishment team.

Contractors, certainly, are getting into management contracting divorced from their basis business—divorced to the extent that they cannot even employ their parent company as contractor. "All sorts of people think they can do this," he concludes, "and there are some very successful people around."



THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
18	19	20	21	22	23	24

Music

LONDON

London Philharmonic Orchestra conductor Hugh Wolff, Rostropovich cello: Mendelssohn, Berlioz, Dvorak (Mon) Royal Festival Hall (928 3191).

Philharmonia Orchestra, Tilson Thomas conductor, Yo Yo Ma cello: Mussorgsky, Berlioz, Shostakovich (Tue); Royal Festival Hall.

London Symphony Orchestra, Claudio Abbado conductor, Yuzuko Horigome violin: Stravinsky, Sibelius, Strauss (Tue, Thur). Barbican (638 8891).

Czech Philharmonic Orchestra, Vaclav Neumann conductor, Vaclav Hudecek violin: Janacek, Sibelius, Dvorak (Wed), Royal Festival Hall (928 3191).

English Chamber Orchestra, Yehudi Menuhin conductor. Thea King clarinet in all-Mozart programme (Wed) Barbican (638 8891).

Ronnie Scott's Frith St. W.1: Drummer Buddy Rich and his orchestra till March 26 (two separate shows nightly).

PARIS

Giuseppe Taddei's recital (Mon) Théâtre de l'Athenée (742 6727).

Nouvel Orchestre Philharmonique conducted by Yan-Pascal Tortelier; Catherine Cantin, flute, Jean-Louis Gilles, organ: Handel, Boccherini (Mon) TMP-Chatelet (261 1983).

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez: Faure's Mass for three female voices and organ, Cantique and Requiem (Mon) Saint-Roch's Church (260 3184).

Orchestre National de France conducted by Lorin Maazel: Mahler's Symphony No 7 (Tue) Theâtre des Champs Elysées (723 4777).

Ensemble Orchestra de Paris conducted by Jean-Pierre Wallez: Haydn, Mozart, Mendelssohn (Tue) Salle Gaveau (563 2030).

Youri Boukoff recital: Chopin, Liszt, Schumann (Wed) Theâtre des Champs Elysées (723 4777).

Georges Pludermacher, piano. Herve le Floch, violin: Brahms, Bartok and Franck's Sonatas (Wed 8.30 pm). Opera Comique (296 0611).

Wiener Nonett: Mozart, Beethoven, Spohr (Thur) Theâtre des Champs Elysées (723 4777).

Nouvel Orchestre Philharmonique conducted by Gian-Luigi Gelmetti with Faye Robinson, Alberto Cupido, Malcolm Smith and the Radio France Choir: Donizetti's Miserere, Puccini's Missa di Gloria (Thur) Saint-Germain-des-Prés Church (260 3184).

WEST GERMANY

Munich, Herkulessaal der Residenz: Pinchas Zukerman and Marc Neikrug (Mon), piano recital with Martha Argerich (Wed).

Berlin Opera: lieder recital with Gundula Janowitz; Brahms and Hugo Wolf (Mon).

Berlin Philharmonie: Alfred Brendel piano recital, Beethoven Sonatas (Thurs).

Frankfurt Alte Oper: Italian Radio and Television Orchestra Torino, conducted by Gary Bertini, pianist Bruno Leonardo Gelber; Mozart, Mahler (Sat).

NEW YORK

New York Philharmonic conducted by Larry Newland, with Alicia de Larrocha, piano. All-Beethoven programme (Tue); Rafeael Kublik conducting with Richard Brunner tenor, Richard Cassilly tenor, John Cheek bass. Janacek: From the House of the Dead, U.S. premiere in new translation with Yvetak Synek Graff and Robert T. Jones (Thur). Avery Fisher Hall (874 2424).

Lenox Music Theater Group, directed by Stanley Silverman. Virgil Thomson and Gertrude Stein: The Mother of Us All. St Clements (46th w. of 9th Av. 924 3108).

WASHINGTON

National Symphony conducted by Eugene Ormandy. Beethoven, Mozart, Rachmaninoff (Tue, Thur). Concert Hall, Kennedy Center (254 3776).

CHICAGO

Chicago Symphony conducted by Sir Georg Solti with Kiri Te Kanawa soprano. Duparc, Mahler (Wed, Thur). Orchestra Hall (435 8122).

VIENNA

Musikverein (658 190): Vienna Philharmonic, conductor Riccardo Muti. Mozart, Ravel, Honegger (Sat, Sun). Tom Krause, lieder recital: R. Strauss, Ravel, Sibelius, Mahler (Sat), Vienna Symphony Orchestra, conductor Christoph von Dohnanyi. Mozart, von Einem, R. Strauss. Soloists: Elena and Emil Gilels (Wed, Thurs).

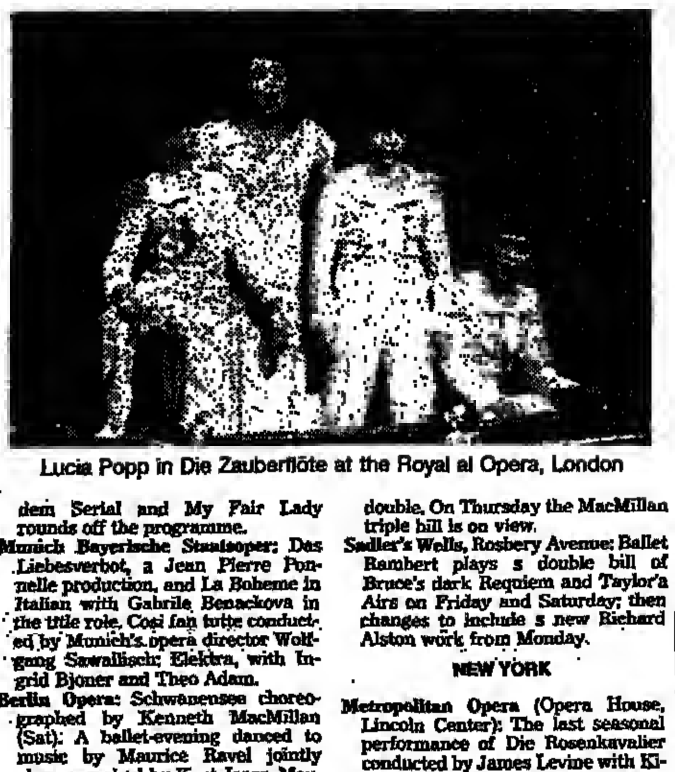
Konzerthaus (721 211): The Consort of Ancient Music, conductor Christopher Hogwood. Stamitz, W. Schiedl, J. C. Bach, Haydn (Wed).

Linz, Brucknerhaus: Vienna Philharmonic, conductor Riccardo Muti. Mozart, Honegger, Ravel (Fri). Alban Berg Quartet. Mozart, Beethoven, von Zemlinsky (Tues).

ZURICH

Tonhalle: Tonhall Orchestra, conductor Weikert with Zimmermann, violin; Strauss, Mendelssohn violin concerto, Schumann (Tue, Wed, Thur).

Opera and Ballet



Lucia Popp in Die Zauberflöte at the Royal al Opera, London

PARIS

La Traviata conducted by Alain Lombard with Wilhelmenia Fernandez alternating with Andree Esposito in the role of Violetta and Alberto Cupido in the role of Alfredo. Opera Comique (296 0611).

Fledermaus – a controversial production with music-hall elements – conducted by Ralf Weikert with Gino Guilico. Ileana Cotrubas, Janet Perry and Siegfried Jerusalem alternating with Alan Titus, Barbara Daniels, Norma Burrowes and Neil Rosehein, and Figaro's Hochzeit conducted by Ralf Weikert with Margaret Price/Ruth Falcon and Jose Van Dam. Paris Opera (742 5750).

The Sleeping Beauty danced by the stars and the ballet corps of the Paris Opera with Rudolph Nureyev as guest dancer, Choreography by Rosella Hightower after Marius Petipa. Palais des Congres (758 1458).

Maurice Bejart and his XXth century ballet conducted by Sylvain Cambreling: Stravinsky's "L'histoire du Soldat" – TMP-Chatelet (261 1983)

WEST GERMANY

Berlin Deutsche Oper: Tosca with Ingvar Wixell as Scarpia, Orpheus and Eurydice with Helen Donath, Hanna Schwarz und Gudrun Sieber. Madame Butterfly, sung in Italian.

Hamburg Opera: Der Troubadour with star cast Julia Varady and Sherill Milnes. Also this week Hoffmann's Erzählungen with Neil Schicoff, Ariadne with Marjana Lipovsek and Dieter Weller. Don Carlos starring Nicola Martinucci, Jelena Obraszowa and Ruggero Raimondi. Zemplinsky's Der Kreidekreis is premiering this week in Hamburg for the first time, produced by Herbert Wernicke with Beatrice Niehoff and Guillermo Sarabia in the main roles.

Cologne Opera: Parsifal, produced by Jean Pierre Ponnelle, is premiering this week with Peter Lindroos and Waltraud Meier. Also Turandot and Orfeo ed Euridice.

Frankfurt Opera: Der Türke in Italien, with Paula Page and Gerolf Scheder. Un Ballo in Maschera with guest singer Mara Zampieri as Amelia. Hans Neuenfels' ultra-modern production of Aida, Die Entführung aus dem Serial and My Fair Lady rounds off the programme.

Munich Bayerische Staatsoper: Das Liebesverbot, a Jean Pierre Ponnelle production, and La Boheme in Italian with Gabrile Benackova in the title role, Cosi fan tutte conducted by Munich's opera director Wolfgang Sawallisch; Elektra, with Ingrid Bjoner and Theo Adam.

Berlin Opera: Schwanensee choreographed by Kenneth MacMillan (Sat): A ballet-evening danced to music by Maurice Ravel jointly choreographed by Kurt Jooss, Maurice Bejart and Jeorge Balanchine. (Wed).

LONDON

Royal Opera, Covent Garden: Die Zauberflöte, in August Everding's jokey; production, returns with a strong cast (Popp, Burrows, Prey, Howell), and Colin Davis as conductor.

English National Opera, Coliseum: Dvorak's Rusalka, not shown in London for many years, is presented by the controversial ENO team of David Pountney (producer) and Mark Elder (conductor). Further performances of Il trovatore, with Rita Hunter's Leonora not quite recapturing the glory of its past best; and Rossini's Cinderella with the dashing Della Jones in the title role.

Royal Opera House, Covent Garden: Peter Schaufuss is guest with the Royal Ballet and can be seen as the hero Colas in La Fille mal Gardée on Friday, and again on Tuesday as the loony Alain, which is a nice double. On Thursday the MacMillan triple bill is on view.

Sadler's Wells, Rosbery Avenue: Ballet Rambert plays a double bill of Bruce's dark Requiem and Taylor's Airs on Friday and Saturday; then changes to include a new Richard Alston work from Monday.

NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): The last seasonal performance of Die Rosenkavalier conducted by James Levine with Kiri Te Kanawa accompanies Di Walkure, Don Carlo and Madama Butterfly, as the spring season reaches its midpoint. (580 9830).

The Hamburg Ballet, Brooklyn Academy of Music: Repertory works choreographed by artistic director John Neumeier are set to music by Richard Strauss, Bach and Mahler. (30 Lafayette Av, 636 4100).

Merce Cunningham Dance Company (City Center, 55th e. of 7th Av): Now a modern classic, Cunningham brings ten familiar and one premiere to this short but rewarding season. (581 7907).

VIENNA

Staatsoper (5324/2655): Der Barbier von Sevilla, Salome, Rigoletto in repertory. Ballet on Sun, Swan Lake; Wed, Scheherazade.

Volksoper (5324/2657): Der Graf von Luxemburg, Das Feuerwerk, Die Entführung aus dem Serail in repertory. Ballet on Fri and Mon.

Exhibitions

WEST GERMANY

Düsseldorf, Kunsthalle: The show offers a comprehensive survey of Henri Matisse. The 80 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by a dozen sculptures. The focal point of the show is the gigantic La Danse. Ends April 4.

Cologne, Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Mannheim, Kunstverein, 56 Augusta Anlage: the only German venue of a roving exhibition with sculptures and paintings by Michael Sandle, a British artist. Ends March 27.

Berlin, Akademie der Künste, 10 Hanseatenweg: More than 500 paintings, drawings, photographs, posters and sketches from between 1945 and 1955 by German artists. Ends March 27.

Munich, Lenbachhaus, 33 Luisenstrasse: More than 200 paintings by the Russian artist Alexej von Jawlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17

PARIS

Giorgio di Chirico: Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, including the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (277 1112). Closed Tue. Ends April 25

Sèvres From 1850 To Our Day: A panorama of the Sèvres production from the Second Empire creations to contemporary abstract designs with – at its centre – an enchanting ensemble of monumental belle epoque vases in pastel colours. Louvre des Antiquaires, 2 Place Palais Royal, 11am – 7pm. Closed Mon. Ends April 10.

LONDON

Hayward Gallery: Landscape in Britain 1850-1950. A lucky-dip of an exhibition rather than a close scholarly exercise, but none the less enjoyable for that. The good things are there to be discovered among the interestingly moderate and even sometimes rather awful greater part; and if some of the great names are not too well represented, Whistler and Sickert for example, enough of the more obscure are all the more in evidence, and on their very best behaviours, from minor pre-Raphaelites to fifties expressionists. Ends April 17.

The Barbican Gallery: Rodin and his Contemporaries – the great formative genius of modern sculpture seen for once not in isolation, but in his true and proper context, his work itself conditioned by the romantic mid-century tradition, and reflecting the achievements of his great contemporaries, Degas for example, and running on to affect directly the next generation – Picasso, Bourdelle and Maillol conspicuous among them. Ends April 10.

VIENNA

Museum des 20. Jahrhunderts: Painters of the American West and circles of the world. Art and culture from the world of the Red Indians. (End March 13)

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

Asia Society: The Silk Route and the Diamond Path follows the spread of culture and wealth in Buddhist art from the 7th to the 17th centuries, with works in all media borrowed from the British Museum, the Cleveland Museum and Los Angeles. Ends April 3.

Whitney Museum: The 75th anniversary of the exhibition of The Eight, the group surrounding artist and teacher Robert Henri, is being remembered with nearly half of the 60 paintings first shown at the New York Macbeth Galleries in defiance of conventions established by the National Academy of Design. Besides Henri, works by Luke, Lawson, Shinn and Davies will recreate the origins of modern art in America. Endes March 20.

WASHINGTON

National Gallery: Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24 (357 2700)

Corcoran Gallery: The latest in the Corcoran's Biennials, a tradition going back to 1907, concentrates on regional artists of the American west with 30 living painters represented by 106 works. Ends April 3.

CHICAGO

Chicago Historical Society: Besides a permanent collection with a visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution has a special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

BRUSSELS

From Worth to Chanel: clothes, drawings, object d'art, prints etc from the Belle Époque to the Twenties. Musée de la Costume et de la Dentelle.

Printmakers from the Atelier Aghib: British Council (ends March 18).

Theatre

NEW YORK

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enlivea a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)

Angels Fall (Longacre): Lanford Wilson's ponderous and pretentious ruminations on life after a nuclear accident transfers boldly to Broadway after a decidely lukewarm reception at the Circle Rep. (239 6200)

WASHINGTON

Screenplay (Arena): A circus setting is used by director Zelda Fichandler to present Istvan Orkeny's last play, which creates its own show trials for a fictitious Bungarian politican recalled from his ambassadorship in Paris to witness the testimony prepared against him. (254 9695)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Coonor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (488 3300)

The Iceman Cometh (Eisenhower, Kennedy Center): Jason Robarts retakes the role of Hickey und Jose Quintero's direction for this O'Neill revival of bar-room reflections throught the bottom of the mug. (254 3670)

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

LONDON

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

VIENNA

Vienna's English Theatre (421 260): Arsenic and Old Lace (daily except Sun)

Theater an der Wien (579 632): Anatevka (daily except Mon)

Cinema/Nigel Andrews

Melodrama in monochrome

Veronika Voss

From Mao to Mozart

Q—The Winged Serpent

They Call That An Accident

Rosel Zech

"It's a story of ageing film stars" says the reporter hero (Hilmar Thate) to his editor in *Veronika Voss*, "In the limelight yesterday, in the dark today." It's also a story of Germany; before and after Nazism darkened the land.

Rainer Werner Fassbinder's penultimate film *Querelle* is still to reach British screens is as lustrous and amazing as any: a melodrama so rampant and bizarrely recherché it seems to come out the other side and achieve a universal, visionary truth. An ageing, drug-addicted movie diva (Rosel Zech) in the grip of an extortionate "clinic"; a sports reporter (Thate) lured by her charismatic plight into his first "human interest" story; and a crowded fresco of 1950s German society that ranges across vast and hustling newspaper offices, film studios starry with lights, snaking with cables and hissing with showbiz bitchery, and icy drug clinics in snowblinding white, where characters stand like mannequins waiting to be wired for human movement.

The black and white film, lit by Fassbinder's miracle-working Austrian cameraman Xaver Schwarzenberger, is not so much a *film noir* as a *film diabolique*. It mixes jet-black shadows with derisive blasts of holocaust-white, and much intermediary softfocus baroque and stroboscopic lightflicker. It doesn't have the instantly assimilable social satire coherence of *Maria Braun* or *Lola*, where Fassbinder wagged an unambiguous finger at German hypocrisy and the moral poverty of the "economic miracle." And first viewing at the Berlin Film Festival a year ago suggested to many it was a large and nutty slice of Bavarian fruitcake—even a Fassbinder aberration.

Of course it *is* an aberration. But then what good Fassbinder hasn't been? Every new movie has been an exception to most known cinematic rules, warping the art in new directions. And *Veronika Voss's* novelty is *its Caligari-like vision of* the world as a madhouse, where flamboyant fiction is totally indistinguishable from flamboyant reality. Schizophrenia, suggests Fassbinder, in a country building economic miracles on the sands of intolerable guilts, is endemic and epidemic.

The film thus has a heroine whose memories of heyday movie glory—we first see her sitting in a cinema weeping at her image in a 1940s film—are as much a bitter sweet drug as the morphine she is given, in small doses and at high prices, by her sinister lady neurologist (Annemarie Duringer). And her journalistic idoliser Robert (Thate), a dumpy and phlegmatic Galahad, is likewise a spiritual two-timer: his profession the who-wins-who-loses simplicities of sports reporting, his private hobby a dank and death obsessed poetry.

As the film's *fioriture* hurtle floridly on — through an attempted movie comeback by Veronika (humiliated by the role of heroine's mother, she forgets her lines and needs glycerine tears), through the suicide of two of the neurologist's patients, an ex-concentration camp couple, and the reporter's discovery that all their wealth has been signed to the clinic, through Veronika's final delirium and clinic-assisted suicide—the aptness of the black and white photography becomes clearer. This is a world of total moral and emotional schism. Black and white, good and evil, combat and interlock: with no helping intermediary save the subtle and ruthless exploiter of both (the doctors).

Veronika Voss is at first encounter a movie nigh-impossible to construe as anything but an essay in barnstorming, vintage-cinema schmaltz and baroque. (Fassbinder compounded difficulties at the Berlin festival by discussing the movie chiefly as a stylistic tribute to Hollywood director Michael "Casablanca" Curtiz.) But familiarity breeds the realisation that it's a study in—and perhaps, noting Fassbinder's own suicide some months later, an expression of—a chronic and tragic schizophrenia. The split mind not only of a disturbed heroine but of a disturbed and divided country. The black and white not only of movie melodrama but of moral manicheism and fissured, warring emotions. It's a great doomed masterpiece.

*

Music hath charms to soothe the savage beast — but it should also wield a little ferocity and passion of its own. In *From Mao To Mozart* violinist Isaac Stern comes to China to play, to teach and generally to inject a little Occidental passion into the inscrutable Oriental way of playing classical Western music. Murray Lerner's wonderful documentary records this *entente musicale*, and pictures Stern at work (and play) in a series of "master-classes" that are devoid of any hint of the seigneurial or superior. The rotund and glitter-eyed bow-wielder, encased in Falstaffian T-shirts, urges his pupils on into passion.

The marvel is — to Stern and to us — that Chinese children of 10 or 12 play with more brilliance and feeling than those of 18 or 20. A sphinx-faced tot cascades through a piano sonata with dazzling clan, his hands like flickers of flame. Another wonder-child plays a slow movement on the cello with awesome warmth and skill.

An elderly Chinese music teacher pops up to offer an explanation. The Cultural Revolution, he says, stamped a merciless boot on China's study of Western music and punished its teachers. (Our speaker spent 14 months confined in a closet over a septic water tank). Not surprisingly, when sanity was restored, Chinese confidence *vis-a-vis* the once-favoured Gang of Three — Bach, Beethoven and Mozart — took a year or several to recover. Ergo: older pupils are more inhibited than younger.

But the music, not the words of this film spell out its message — that art flourishes anew with any increase in political freedom. You can hear it on the strings and ivories, and see it in the faces, of the under 12's. Here is a true, not a prescribed, cultural revolution. And a fascinating movie.

*

And so to monsters. As if Manhattan were not terrorised enough these days by muggers and joggers and New York taxi-drivers, the latest threat to life in the Big Apple is Quetzalcoatl. This aerial ogre has a nest on top of the Chrysler Building and a partiality for eating people whole. In *Q— The Winged Serpent* writer-director Larry Cohen sets policemen David Carradine and Richard Roundtree on its track, and throws in Michael Moriarty as an inexpert and hysterical thief for good measure. (He accidentally left some diamonds in the monster's lair.)

The serpent is, we are told, Mexican in origin and clearly hies from a distant past when special effects were extremely primitive: forcing it to resemble a large and jerky fugitive from a cereal packet. But never mind. The film is colourfully, infectiously silly, the climax is good value, and who could resist Moriarty's performance? — all ties and tremors and wild comic impromptus, providing the most remarkable instance of making something out of nothing since the well known wine replenishment special effect at Cana of Galilee.

At Odeons Kensington and Swiss Cottage, *They Call That An Accident*. And they are absolutely right. Nathalie Delon all in black mooches through this dire French thriller, about the vengeful mother of a murdered son, which she directed herself through a lens darkly. Would-be mysterious and deeply awful, it should be like all accidents avoided.

Underneath the Arches/Prince of Wales

Michael Coveney

Like Bud Flanagan, Bernie Winters went solo after years in a popular double act. Taking over from Roy Hudd in this marvellous cunningly constructed orgy of community theatre, Mr Winters brings an extra dimension of vulnerable pathos to the part and although Mr Hudd is nothing if not a warm performer, his replacement has the added and appropriate advantage of being Jewish.

Mr Winters sings "Music Maestro Please" through floods of real tears after learning of his beloved son's death. Here, and throughout the show, he gives *schmaltz* a good name and proves that he does not necessarily need that horrible dog Schnorbitz who has blighted his recent TV appearances.

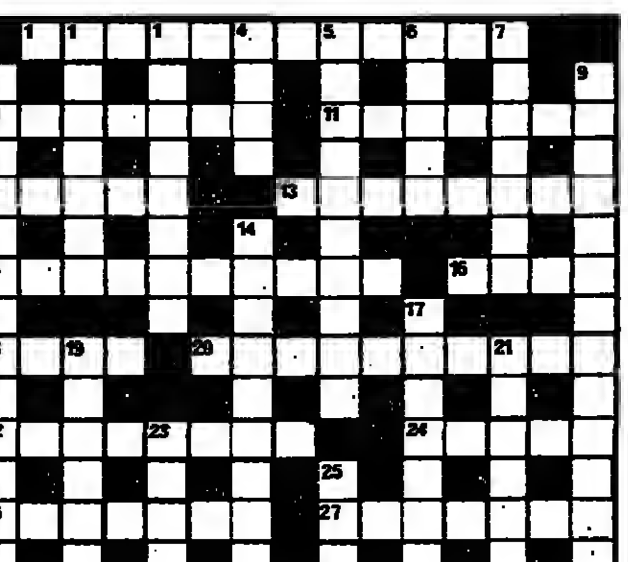
Two years ago Bernie Winters played Bud in a memorable TV production by Jon Scoffield of a different script. He was partnered then by Leslie Crowther as Chesney Allen and their resonant conspiracy is now triumphantly renewed at the Prince of Wales. Mr Crowther has taken over from Christopher Timothy.

Whereas before the show really belonged to Roy Hudd, the honours are now even. Mr Crowther watches his pal with beady affection as he relates Bud's life story and his singing voice, gravelly in the distinctive manner of Ian Carmichael, is a perfect foil to Mr Winter's more dulcet tones. The two of them have introduced fresh Crazy Gang material, most notably a theatrical scene where Bud jeers at Ches's thespian pretentions from an onstage box and a wonderful dialogue of colliding dreams.

Of course, since the show opened, Chesney Allen, the last survivor of the Crazy Gang, has died, and so has Peter Glaze (whose name, incidentally, should be removed forthwith from the hoardings). Mr Glaze is replaced by Laurie Webb, but the guest appearance of Mr Allen, which somehow authenticated the entire show, is seriously missed.

However, Roger Redfarn's production is still very good value and you would have to be some kind of warped killjoy to resist the surreal antics of Tommy Godfrey, Don Smoothey, Joe Black and the rest of the gang.

F.T. CROSSWORD PUZZLE No. 5,125



ACROSS

1 Formal wear making uniform—get in a straight line (7, 5)

10 Start again without French leaders in Scottish town (7)

11 Top copper, possibly, could be harried (3, 4)

12 Part of poem, nothing more than hypocritical talk (5)

13 Prepare for war when a market's collapsed (4, 4)

15 With peers wandering about, I get tired of jesting (10)

16, 18 Break makes them fail (4-4)

20 Is he responsible for the war on ma? (5-5)

22 Wrong part of bird, in French, has a shell (8)

24 Pole who was Prime Minister (5)

26 Actor I put in a musical (7)

27 Our 24 across includes a brace which is obsolete (7)

28 I err badly with foreign devil after me—if so, it must be endured (12)

DOWN

2 He may give you the sack (7)

3 Drug for love in 24 across ocean (8)

4 Compass points, 25 down if there's none? (4)

5 Greek poet pictured by Wilde? (6, 4)

6 Provide for Beethoven duet (5)

7 Erase AA, strangely, from weather forecasts (3, 4)

8 Rain or snow may be poetic in part I (13)

9 Money a remote object, even the minimum amount? (5, 8)

14 Immunising agent that turns us red in flower (5, 5)

17 Fragrant drink put in cups and saucers, etc, at a meal (5, 3)

19 Swallow one cocktail (7)

21 Sound of limit to fuel causes confusion (7)

23 Willow—'e sells stockings! (5)

25, 18 across Enjoyment made by speedy travellers (4, 4)

Solution to puzzle No. 5,124

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Telephone: 01-248 8000
Friday March 18 1983

A welter of Euro-plans

THE ANNUAL economic summits of the principal market economies bave not so far achieved anything very concrete, but they do seem to be re-establishing the habit of seeking international solutions to world-wide problems. The spread of this habit entered new territory yesterday wben a number of leading figures in the British Labour Party held a Press conference to announce their support for what is essentially a broader version of the Mitterrand approach.

Tbe so-called project for European recovery, French-*inspired and financed*, but quite largely drafted in Britain, contains no startling novelties. It is a worked-out version of the policies which President Mitterraod has already said that he will urge at the Williamsburg summit on behalf of the socialist governments of Europe —*representing* not only his own view, but those of Spain, Sweden, Finland, Austria and Greece.

Its opening bid is a relatively modest request for a fiscal stimulus throughout the OECD; because coordinated action would prevent major leakages through the current account (the main spillover would be a very welcome rise in demand for Third World products) the stimulus in each country can be kept within bounds.

Rise

This in itself is a useful insight, which would certainly be endorsed by the OECD Secretariat. The proposed rise of $100bn (£66bn) in government spending, financed to the tune of $25bn by borrowing and the rest from revenues looks impressive, but is a good deal more modest at the national level than the existing alternative strategies proposed by both Labour and the Alliance for the UK.

No-one, of course, supposes that such an approach will suddenly be adopted by President Reagan and Mrs Thatcher, so the second stage consists of a plan for a socialist stimulus in the six left-wing countries — which bave already attracted interest from the new Australian Government — to ba joined later by any country which elects a sympathetic regime. *This* requires *an* apparatus of stata intervention and no doubt some protectionism — tha familiar list.

The suggestion even of a Paris bloc of countries drifting eway from Brussels on an interventionist raft is not attractive. It is nevertheless interesting that the British Labour Party now thinks it worthwhile to ldantify itself with this European movement, and to devise its own policies with even half an eye on this kind of international consensus. A party looking outwards, even if only to those who are hroadly sympathetic, is likely to talk somewhat better sense than one wbose policies are largely a state-of-battle report on its own in-fighting; real world socialist governments have a good deal to *teach*.

Report

Meanwhile others are adopting *less partisan approaches*. The European Parliament has commissioned its own report from M Michel Albert, who was in charge of planning under M Raymond Barre, he will be assisted by the Lodo Business School. This seems likely to provide its own reinforcement for the macro-consensus now supported by the Institute for International Economics in Washington, by the OECD and occasionally, when he is ebroad, by our own Chancellor of the Exchequer.

Finally this hrief catalogue should note the announcement from Tokyo that *Prime Minister* Nakasone is formulating a comprehensive plan for world monetary reform, exchange rate stability, interest rste management and natural resources, again for Williamsburg. Since no details of this ambitious proposal are known, no comment is possible.

This general pressure from every direction for international solutions may ensure that Williamsburg is more than a hand-wringing session; the Americans in particular will be under pressure to clarify their own stance on international economic and monetary questions, unless, of course, tha U.S. recovery itself meets the bopes of the American optimists. It remains sadly true that adversity is the mother of internationalism; It would wither under a *prosperous* sun.

No respite for Nigeria

THE ONE member of the Organisation of Petroleum Exporting Countries (Opec) which left London relatively satisfied this week after the interminable oil price and production talks was Nigeria. Mallam Yahayo Dikko, the Nigerian Presidential oil adviser and current Opec President, could congratulate himself not only as a central figure in cobbling together a production-sharing agreement which reconciled such enemies as Iran and Saudi Arabia; he also managed to persuade the other Opec members to allow his own government to keep its oil price s crucial $0.50 below the price of comparable African light crudes and North Sea oil.

Yet It is *hard to see how* Nigeria has bought itself any significant respite from its pressing economic problems as a result of its negotiating skills. The irony of the talks was that Mallam Dikko successfully called the shots, thanks to his country's position as the most exposed Opec member: when be argued that if Nigeria did not get its way, his government would be forced to break ranks, the other Opec members believed him. But It is questionable whether a price structure which allows Nigeria a clear advantage over North See oil can be *maintained.*

Optimistic

Even if the Opec deal holds, Nigeria will remain in dire economic straits. Its production quota of 1.3m barrels a day (b/d) at the new price of $30 is only just enough to maintain government revenue and foreign exchange earnings at its budget level for 1983 (which was for production of 1m b/d at a price of $35.50). But that budget, albeit conservative in intention, was based on some very optimistic assumptions about Nigeria's ability to cut *its government spending and* import bill.

The budget provided for total monthly foreign exchange spending of only N600m (£560m) at that level of oil production—a 50 per cent reduction in the combined import and debt repayment bill, compared with the level in the last few months of 1982—in order to restore equilibrium to its balance of payments. Knowing the level of smuggling, the slowness of the bureaucracy in implementing decisions, and the leakages in the system caused by corruption, one must doubt the Nigerian government's ability to cut hack so drastically.

The further complicating factor is that 1983 is Nigeria's election year—the first to be held under civilian rule since the military handed over power to President Shehu Shagari in 1979—and the temperature is rising rapidly. There is a temptation for politicians, both in the federal government and in the 19 separate state administrations, to start e new rash of spending schemes before they face the electorote in July and August. Given the parlous state of public finances—most of the state governments are bankrupt in all but name—this can only be done by borrowing *or printing money.*

Modest debt

President Shagari bas himself so far resisted this temptation. On paper, be seems the only possible winner of the presidential poll, because none of his rivals can bope to win the necessary support in two-thirds of the states which the constitution requires.

All tbe indicators suggest that Nigeria could and should be seeking a large balance of payments loan to tide it over the present oil glut, and give it the time to *get its economic* house in order. Outstanding foreign debt is a modest $6bn, nowbere near the levels of e Mexico or Brazil. But foreign reserves are down to less than $1bn end, more importantly, arrears in trade payments total at least $3bn (officially) and probably more than $5bn. If Nigeria is to borrow any money, the international banks will insist that it is used to pay off the hacklog, rather than allow a pre-election import surge.

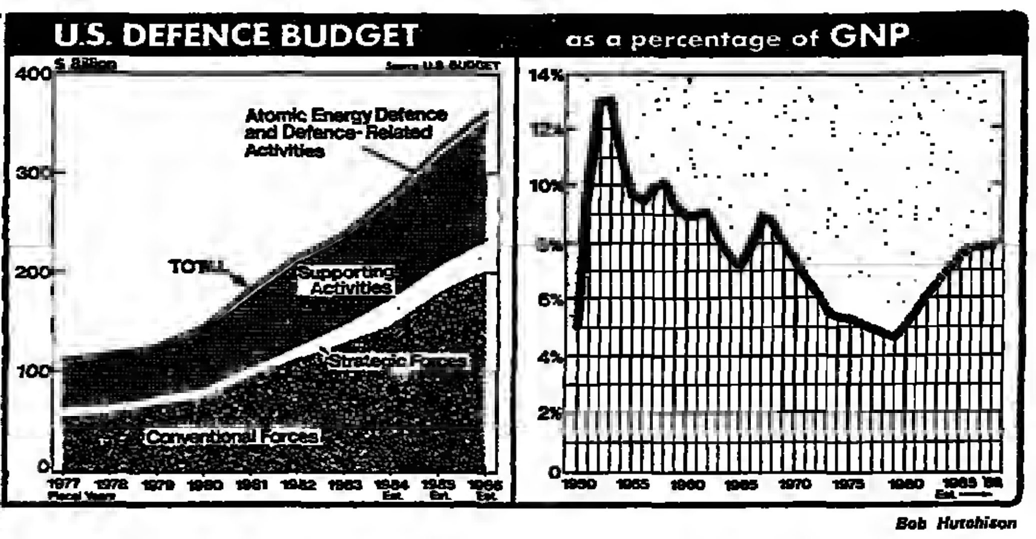
Tbe alternativa is for Nigeria to turn to the International *Monetary* Fund to draw up an agreed austerity programme and supervise it—but that is unacceptable so close to an election, especially as it would almost certainly entail devaluation of the overvalued naira.

So the prospect is for Nigeria to muddle on until September, when the polls will be over, squeezing its suppliers for more credit, and allowing the economy gradually to run down with growing urban unemployment. In the face of these political and economic pressures Nigeria must remain a weak link in Opec's fragile oil pact.

U.S. DEFENCE SPENDING

A new mood of scepticism

By Reginald Dale, U.S. Editor, in Washington



Bob Hutchison

PRESIDENT Ronald Reagan believes that the world is in a similar condition to that of the 1930s, and he is not just thinking of economic recession.

He, and many members of his Administration, believe that the massive and unrelenting Soviet *arms build-up can be compared* to that of Nazi Germany and that the free world will be in mortal danger unless counteraction is taken before it is too late.

Mr Casper Weinberger strongly shares this view. That is one of the reasons why he is *still Mr Reagan's Secretary of* Defence, despite having made a number of enemies in Washington. His problem now is to convince a sceptical Congress that it is true—or at least true enough—to justify the biggest American military build-up in peacetime history.

Mr Reagan is asking for a record $238.6bn for defence spending in the fiscal year that begins on October 1. It represents e 10 per cent increase in real terms, at a time when nearly every other area of the Budget is being cut back or is growing below the rate of inflation and the unemployment rate is still in double figures at record post-war levels. Mr Reagan has made it abundantly clear that if be has to sacrifice the conservative policies on whicb he was elected, the defence build-un will be the last to go.

As Congress starts serious work on the defence budget, Mr Weinberger, armed with a dazzling array of charts, has become a familiar figure on Capitol Hill. The kernel of his argument, as be put it to the House Budget Committee recently, is as follows: "I must emphasise that we simply cannot reduce defence spending any further without undermining the security of the United States. We cannot afford a situation in which legitimate and necessary defence spending becomes the "whipping boy" of those who look only at budget *or deficit numbers or forget that* the Soviets are driven by no such constraints. We must not forgat that defence needs must be determined by the threat to our national security that we face."

At first sight, Mr Weinberger's case is impressive. He points out that total Soviet investment in "future military capabilities" — weapons, military facilities and research and development—is running at a rete about double that of the U.S. Soviet investment in strategic nuclear forces bas been running at about three times the American rate, that for general purpose forces about 50 per cent bigber.

The Pentagon has just published a glossy new booklet detailing the extent of the Soviet build-up, completa with photographs, maps and tables. It *shows that, if anything,* the build-up bas accelerated in the last 18 months and that whole ranges of new weapons systems, from intercontinental hallistic missiles to tanks and submarines, are continuing to pour non-stop out of the Soviet military-industrial system.

Whether or not one agrees that tha Soviet Union is in a position of military "superiority," it is true that during the 1970s the U.S. throttled hack on defence spending, largely as a result of the Vietnam trauma, while the Soviet Union continued to forge ahead.

Most importantly, the U.S. failed to modernise its nuclear forces et a time when the Soviet Union was doing so—one of the reasons wby there is now sucb a problem over the upgrading of American intermediate range nuclear weapons in Europe.

Mr Weinberger says that ba does not intend to try to match the Soviet build-up "tank for tank or aircraft for aircraft." He just needs enough to regain an effective deterrent" in both nuclear and conventional terms.

There is a whole bost of reasons, bowever, why Mr Weinberger is unlikely to get what be is asking for. Political feelings at the grass-roots level have changed enormously since Mr Reagan was voted into power almost two and a half years ago.

Defence spending is no longer popular, and politicians, looking ahead to the next elections in 1984, want to be on record as having tried to restrain it.

A general feeling of scepticism about Mr Reagan's defence policies, and about the Pentagon *itself*, is now at large in America. Mr Reagan came into power arguing that there was a "window of vulnerability" in the early 1980s that bad to be closed. The main feature of the phenomenon was the alleged vulnerability of the U.S. land-based missile system to a Soviet first strike, following major improvements in the firepower and accuracy of Soviet strategic forces.

Today, It is becoming increasingly common to find the same sort of learned journals that once spelled out the dangers of the "window of vulnerability" arguing that It does not exist after all. Increasingly, both experts and non-experts are asking wbether a Soviet first strike against the U.S. makes any kind of sense whatsoever.

At the expert level, It is increasingly fashionable to point to the uncertainties that the Kremlin would bave to contend with—doubts about the accuracy and technical reliability of its missiles, aod the whole question of bow the U.S. would react,

More remarkably, bowever, it is the non-experts who are now making the running, largely through the movement for a "nuclear freeze" on the development of both super powers' arsenals. "Freeze" resolutions have been passed at every level from town meetings to votes by entire states, and ooe could well go through the House of Representatives next week—although it would not be binding on the Administration and could anyway founder in the Senate.

A similar gut revulsion against nuclear weapons has been evident in the long-running debate over a hasing system for Mr Reagan's naw MX nuclear missile, the weapon intended to close the "window of vulnerability."

Even Americans who believe in strong national defence—and the Right-wing Mormon Church is the perfect example—do not want the MX on their front doorstep.

Common to all the debate is a sort of instinctive feeling that enougb is enough, that there are already far more nnclear weapons than necessary to destroy the world many times over, so why build even more?

The agonising has reached the point at which a self-confessed "unregenerate hawk," Gen Maxwell Taylor, a former chairman of tha Joint Chiefs of Staff, has gone so far as to question the sacred doctrine of the Triad—the theory that the U.S. must have strategic missiles on land, sea and air so as to provide for retailiation if one or more of the Triad's three legs becomes vulnerable *or* is knocked out.

There is a perfectly defensible strategic case for the Triad. One of the main points about strategic weapons is that they have (fortunately) never been tested in a real war, and it makes some sense not to put all your eggs in one basket—particularly at a time when Soviet missiles are becoming more and more accurate, its air defences constantly improving, its Navy massively expanding, and nobody can know bow vital command and control systems would function in a nuclear exchange. *It is true also,* however, that there are three armed services, which ell want thair shsre of the latest weapons.

Too many weapons systems asked for, and designed by the services have suffered serious, highly publicised defects. The U.S. media is full of seemingly unending tales about anti-tank weapons that bounce off armour, shells that explode in the barrel, missiles that blow up on take-off and aircraft that are so over-designed that they cannot properly fulfil any of the functions demanded oft bem.

Time magazine has *cited* examples of ineffective bazookas that bave risen in cost from about $75 initially to $787, the F-18 fighter which now costs $30m (or triple its original estimate) and yet cannot perform the tasks originally called for, and new weapons ranging from air-to-air missiles to armoured infantry carriers which are both borrendously more expensive than their predecessors and probably less effective in combat.

All this generates a suspicion that money that is simply thrown at the Pentagon is going to be wasted. Mr Weinberger argues that the 10 per cent real increase in defence spending was arrived at by assessing all the minimum needs and totting them up. Few people in Congress, at least on the Demo*cratic* side, believe *him.*

Tha habit of underestimating programme costs to secure them a foothold in the Budget has become ingrained in the system, even though Mr Weinberger would claim to have made a successful start in establishing more realistic costing procedures.

To give public expression to these doubts and fears, tbe Democrats are likely to go for one of Mr Reagan's major weapons systems, aa the undonbtedly acrimonious debate unfolds in Congress in tbe weeks ahead. Mr Weinberger says that the "key components" of the Administration's plans to modernise its nuclear forces are the MX missile, the Trident 2 missile and suhmarine, the B-1 bomber, the Pershing 2 and ground-launched Cruise missiles, and improved command, control and communications systems.

The Democrats will either go for *the MX* or *the B*-1, or both, or for the sort of cuts in spending that Mr Weinberger has said will make the cancellation of major weapons projects inevitable. Mr Weinberger says that even the slightest further cut would endanger a major programme.

It is not that members of Congress deny the need for strong U.S. armed forces. There are no pacifists or unilateral disarmers on Capitol Hill—and very few in the country

However, there are a number of important new factors at work. The first is an increasingly widespread disbelief that the Soviet Union either can or will start a nuclear war, regardless of the avowedly massive size of its forces. The second is a feeling that if American weapons can go wrong, so can Moscow's, particularly as they are very largely made with borrowed or stolen U.S. technology. The third is that in the confrontation between tha two political systems, the strength of American institutions and values more than outweighs any superior Soviet fire power in missiles.

What is remarkable is the way in which both the Right-wing and the broader defence establishment as a whole is beginning to question traditional assumptions and blind faith in the Pentagon. Increasingly they are saying that what is needed is simply enough to deter Soviet aggression, with an increasing emphasis on tried, conventional weapons, and that the calculation of what is necessary does not beve to be based on the Soviet "threat" as Mr Weinberger sees it.

The winds of change bave reached the Pentagon, which, in its latest classified "Defence Guidance" paper reportedly tones down the possibility of a prolonged nuclear war and suggests that U.S. strategy should be to try to limit a future conflict to conventional arms, while "preparing appropriate nuclear munitions for possible nse."

That will still cost a lot of money. Mr Reagan's problem, if be persists with his simplistic 1930s rhetoric and his massive demands for cash, is that he may make defence spending so unpopular as to risk defeating *his own objective.*

THE KEY WEAPONS

KEY components of the U.S. nuclear force modernisation programme, according to the Administration, are:—

● MX (Missile Experimental). President Reagan wants to deploy 100 of these new, 10-warhead intercontinental ballistic missiles to modernise U.S. land-based strategic forces, currently composed of ageing Minutemans and even older Titans. The programme would cost $26bn.

● Trident. Four U.S. Trident submarines have been launched so far at a cost of over $1bn each, and the Navy wants up to 20 to replace older Polaris submarines at the rate of one or two a year. The new, more accurate Trident 2 or D-5 missile, which Britain is buying to replace its own Polaris deterrent, is still under development

● B-1 bomber. The Reagan Administration has resurrected the long-range strategic B-1 bomber, cancelled by President Carter, to replace the veteran B-52s, some of which are now older than the pilots who fly them. Critics say that it is not necessary, because another generation of bombers using ultra-modern Stealth radar-evading technology *is* due to follow them after only a few years. A hundred B-15s are to be deployed starting from 1986—at a cost in 1981 money of just over $20bn.

● Ground-launched cruise and Pershing 2 missiles. Up to 572 of these single-warhead intermediate-range missiles are meant to be deployed in five West European countries from the end of this year. The cruises cost $2m each and Pershing considerably more.

Both can strike targets in the Soviet Union and are intended to counter the massive and continuing deployment of highly accurate Soviet three-warhead SS-20 mobile missiles.

The weapons are intended to replace older, shorter range Pershing 1 missiles and F-111 aircraft equipped with nuclear weapons. As part of its strategic programme, the U.S. is also planning to equip long-range aircraft with over 3,000 air-launched cruises which currently cost $1.2m each.

The total cost of President Reagan's strategic modernisation programme is only about 15 per cent of the current defence budget, the Pentagon says, against 20 per cent at the time of the last U.S. strategic *build-up in the early 1960s.*

Men & Matters

Chapman's scoop

By purchasing Granada Publishing for £8.7m the book and diary publisher William Collins is set to achieve the magic figure of £100m a year turnover. Granada will add an extra 15 per cent to Collins turnover

An admiring member of the book trade last night called Collins' chairman, Ian Chapman, who master-minded the deal, "the standard bearer for progressive British publishing."

Chapman, e quiet 58-year-old has shown an ability to lead his company to new levels of prosperity after an improbable start to his career. During the second world war be volunteered for the coal mines from his Scottish Presbyterian manse bome and be spent two years working *underground*. Then he went on to study music. Ha is an accomplished violinst.

After joining Collins in 1947 one of his early jobs was to tour the U.S. as a Bible "drummer" —selling Bibles in small towns.

As marketing director in the 1950s he discovered adventure writer Alistair Maclean, then a schoolmaster in Scotland, and enrolled him to Collins' list.

Since becoming chairman (1979) he has successfully resisted a take-over bid from Rupert Murdoch and has defused a tricky situation by inviting Murdoch on to the *Collins* board.

"You can't expect my members to drive these new trains—they're rusty"

Sweeping victory

One of tha country's most exclusive sporting events, tha annual sweepstake on the length of the Chancellor's budget speech has been won by a man who is in a position to observe, although be probably does not have the right to inquire—the anonymous servant of the Crown who opens the door to visitors at 11 Downing Street.

No, be didn't consult his employers and he certainly didn't see a draft of the speech. What was his method. . . ?

"Sir Geoffrey is bound to take longer than any of you expect," be said. "Put me down for five minutes longer than anyone else."

A clean sweep, you might say because Sir Geoffrey overshot that mark as well.

Air worthy

If, when you are flying between London and New York, the man in the next seat starts whispering saucy accounts of after-hours life on Wall Street do not automatically ring for the cabin staff to take him away. He could be Peter Engel dictating his next best-seller.

Engel, aged 48, was educated in England and Canada and is now an American citizen. He was a senior vice-president of Colgate Palmolive, after cutting his business teeth with Procter and Gamble. Then ba becama president of Helena Rubinstein before starting his own company.

Nowadays be is commuting across the Atlantic about once a fortnight between tha two main offices of his management consultancy, American Consulting Corporation, which works mainly in tha consumer goods sector.

As a way of changing pace from the frenzy of the market place he has taken to dictating novels on a portable recorder during his flying hours. Ha claims it belps clear his mind of trivia and enables him to indulge in useful lateral thinking.

The habit is also helping his bank balance. High Gloss, his secood novel, bas sold several hundred thousand copies including a Japanese translation. Tender Offers, which is to be published in the U.S. in June is expected to do at least as well. It promises to be a steamy story of Manhattan life published to coincida with tha start of the long, hot summer.

Metal fatigue

Almost half the land in inner London is unsuitable for growing vegetables because of the high lead content according to a new report from a University College of Wales team.

The Campaign for Lead Free *Air has* et once weighed in blaming the effect upon lead in petrol and advising Londooers to wash their fruit and veg.

But Londoners' current problems from lead pollution appear to be small indeed compared with the sufferings of the aristocrats of ancient Rome, if Dr Jerome O. Nriagu, a researcher for the National Water Research Institute in Burlington, Canada, is to be believed.

Nriagu calculates that rich Romans consumed six times at much lead as modern safety standards allow, and that two-thirds of tha Emperors may have been poisoned by high lead doses in their wine and food. He concludes that lead lead poisoning may have been a fundamental cause of the fall of the Roman Empire.

Apparently the Romans often *flavoured their* wine with a syrup made of simmered grape juice. And this concoction was brewed in lead-lined vessels. Nriagu says "One teaspoonful of such syrup would bave been more than enough to cause chronic lead poisoning."

Team change

When stockbrokers Beardsley Bisbop Escombe dissolve in May, partner Richard Bradshaw transfers to the firm of Vivian Gray—taking with him an investment team of five women.

Bradshaw and his taam beve worked together for the best part of ten years within Beardsley Bisbop. The women include Susan Shaw, once senior guide at the Stock Exchange and its first woman member to trade on tha floor, and Christina Negretti, the market's youngest woman member, elected six months ago.

The three others are Susan Maybew Saunders, whose brother is chairman of John Brown, Judy Smith and Sally Jones.

"We cover the whole investment field," says Susan Sbaw, "wherever money is to be made." And the *team is* prepared to deal further afield than most. Between them, its members speak French, German, Spanish, Swedish, some Russian and Persian—and Bradshaw is now learning Thai.

Old comrades

And I heard said at a Brighton conference "I view his retirement with mixed feelings. A mixture of contempt and relief."

Observer

POLITICS TODAY

A hint from Sir Geoffrey

By Malcolm Rutherford

PERHAPS IT is simply relief at having delivered his fifth Budget, but for the first time Sir Geoffrey Howe, the Chancellor of the Exchequer, has begun to seem ever so slightly demob-happy. There is just a hint that he would be content to leave the intractable problems of tax reform with which he has been grappling over the years to his successor while he himself moved on to the Foreign Office. After the election, of course.

Sir Geoffrey's latest Budget was at least distinguished by the variety of the reactions it provoked. Few people agreed on what to make of it. Some thought that it was electioneering, others that it was at best neutral. There was not even agreement on how much the Chancellor — to use the forbidden phrase—was "giving away."

My own view is that it was all pretty much true to type, though Sir Geoffrey stretched himself a bit by going as far as he possibly could to make the

Fireside chats, with no commitment to action

British economy a "locomotive" (another dubious term) for international recovery. That is his view, too.

As usual, the speech reads better than it sounded. There are three main themes: the economic recovery which may now be getting under way, the series of international meetings which will take place in the next few months, and the Budget changes themselves.

Neither of the first two were developed very much, but they are both clearly there in the text. This is partly because it is in the Chancellor's nature to want to get on to the details of tax changes. It is also because Ministers have made claims of an economic recovery before, and been proved wrong. They are reluctant to be caught making the same mistake again.

Both themes are likely to recur in the near future. The evidence of some recovery, if not yet compelling, is at least beginning to look fairly convincing. At home, Sir Geoffrey cited the improvement in the construction industry, the rise in housing starts and in manufacturing production. He might have added the record car sales in January.

Internationally, there is the better news of the American economy, the more confident outlook in West Germany after the elections, and the possibility of expansion in Japan following the fall of the oil price.

There are still major uncertainties, of course. What happens to the oil price next, and to exchange rates, are among them. It is also true that recovery will probably not lead to any rapid reduction of unemployment. But the point is that the possibility that recovery may be under way should not be ruled out, merely because there have been false dawns before.

If there is an incipient recovery, the political world begins to look quite different. For a start, the argument for delaying the British General Election is strengthened. It would not look good to go to the country on the basis of an improvement in one or two months' economic indicators. Better to wait and show that the recovery is sustained.

The more important issue, however, is what is going to be done about monetary reform. Which brings us to Sir Geoffrey's second theme: the coming international meetings.

There is a caveat here. Mr James Callaghan became interested in international monetary reform in his latter stage as Prime Minister. But nothing came of it, partly because he was obliged to fall back on domestic affairs and an election overtook him. The same could happen to Sir Geoffrey.

Still, an international timetable is set and there have been some preparations. The problem seems to be the Americans, who see the economic summit meeting of the seven major industrial democracies in Williamsburg at the end of May, largely as a series of fireside chats with no firm commitment to action.

It could be otherwise. The Jurgensen report on intervention in the foreign exchange markets, commissioned at the last economic summit in Versailles, is now ready and has been handed to M Jacques Delors, the French Finance Minister. (M Jurgensen, despite his Danish-sounding name, is an

Ashley Ashwood

It appears that he is being defeated by the sheer complexity of the British tax system

official in the French Ministry.)

The report is said to be very technical, but it could be built on.

Also, officials of the Group of Five plus M Jacques de Larosière, the head of the International Monetary Fund, are still meeting on the wider question of international monetary reform. The Group of Five consists of Britain, France, West Germany, the U.S. and Japan. It met at ministerial level at the IMF conference in Toronto last year.

No further ministerial meeting has yet been fixed, though one could be arranged—before or after Williamsburg.

Further in the offing are the meeting of the Development Committee of the IMF at the end of April, at which the relevant Finance Ministers will attempt to settle the Williamsburg agenda on the sidelines, and the annual OECD ministerial meeting on May 9-10.

Herr Helmut Schmidt used to complain that there were no arrangements for Finance Ministers to consult each other in the way (say) that Defence and Foreign Ministers regularly confer in Nato. No one can say that any more. The question is whether they will take advantage of their opportunities.

Sir Geoffrey has a thought that the Williamsburg summit might agree on some kind of international medium-term financial strategy, modelled on his own approach to economic policy. It would set out targets for budget deficits and monetary growth for the major countries.

It would be immensely difficult to organise—who should say what deficits for whom—and even harder to police. What would happen to a transgressor whose deficit or money supply got out of control, deliberately or otherwise? But it is still a thought worth pursuing.

So, too, is the possibility of trying to do something to reduce volatility in exchange rate movements without necessarily returning to the "fixed but adjustable" regime of Bretton Woods. Again, the opportunity is there. The schedule of meetings is arranged. The beginning of a gradual international recovery would be the best time to do it. But it may not happen. Sir Geoffrey, and others, need to be pushed a bit.

Back, however, to the Budget details, and a few comments. Over time Sir Geoffrey has proved to be quite a reforming Chancellor, partly no doubt simply because he has been there so long. The move away from "funny money" to cash planning in government accounting is one example. Similarly, the cut in the top rates of income tax in his first Budget: it could not easily have been done later and will now be quite hard to reverse.

There have been other smaller, but cumulative changes: for instance, the successive moves to facilitate employee share ownership. There were more in the Budget this week. But it comes out in dribs and drabs. The Chancellor ought one day to make a speech saying what it adds up to.

Yet at the end of the day one has the impression that he is being defeated by the sheer complexity of the British tax system. There are too many taxes, introduced at different times, for different reasons, and too many pressure groups lobbying for or against changes to this or that. Sir Geoffrey thought that you could introduce systematic reform over a period. Even he — the man for the long haul — is now slightly disillusioned about how long it takes.

To take three examples: the national insurance surcharge, mortgage tax relief and child benefits. The NIS is a payroll tax, though admittedly introduced in quite different circumstances from today. It is absurd that the Government should be taxing jobs and at the same time subsidising industry. Sir Geoffrey has now gone a long way towards abolishing it, but he could not abolish it overnight because the revenue was built into the Government's finances.

Again, mortgage tax relief may or may not be desirable. The Chancellor thinks that it is, though at a fairly low level, and in any case it would be hard to scrap it when many people took out a mortgage on the assumption that it would remain. The Prime Minister wanted to raise the limit from £25,000 to £35,000. So the Treasury settled for £30,000. But it was only a political compromise, not a tax reform. Besides, there are considerable regional variations in house prices, of which the present system takes no account.

Child benefits are supposed to be above suspicion, indeed have become almost a cult. Yet it is not easy to see why they are preferable to the old child tax benefit. Some families, after

Child benefits have become almost a cult

all, still have two parents, and many of them are capable of understanding that it is simply a case of switching from tax relief to a hand-out.

That is not a tax reform either. Moreover, the present indiscriminate system of flat rate child benefits impedes the principle of trying to help those least well off. It might be better to revert to a means test to help the poorest. The feminist lobby has got in the way of what should be the aims of the Child Poverty Action Group. Even a reforming Chancellor has not taken on that lobby.

So, no great tax reforms are in sight. Some proposals might come in the Tory election manifesto. But, with the wisdom of experience behind him, the Chancellor doubts it. He has identified the problems, grappled manfully with some of them, but not yet found the answer to how you deal with growing demands on the social services and Government revenues that do not match.

If not Sir Geoffrey, who else? The prize might go to someone who could make a credible promise of a simplification of the tax system under the next government. Otherwise, we shall go on tinkering.

Lombard

Open government and 'leaks'

By Peter Riddell

"THE SECRECY side is one of the Budget features most deeply impressed on the public. Everyone is aware of the need, not merely for preventing any premature disclosure of tax changes, but also for avoiding any pointers being given as to the likelihood that certain tax changes will be made."

[Lord Bridges, Permanent Secretary to the Treasury 1945-56, in The Treasury, published 1963.]

These words could not have been written about Tuesday's Budget. The fuss about alleged "leaks" has been greater than ever this year. It is not merely a matter of the self-righteous cant of a few MPs who do not follow the economic debate and feel robbed of surprises. The issue has been raised by serious commentators and in the City. But the complaints reveal a misunderstanding of recent changes in the preparation of the Budget.

Evidence

The charge is that the main features of the Budget are leaked in advance. The evidence is the series of reports in the Press over the preceding month. This year, as in the last three or four, these stories have generally, though not always, been accurate about the broad strategy—the level of public sector borrowing and so on. But the reports have often been wrong about the precise details of tax changes, especially those which are price sensitive in City markets.

The distinction between the accuracy of general predictions and the inaccuracy of forecasts about precise details is the key point. From my own experience, the Treasury practically never "leaks" about Budget details, though it may steer outsiders away from certain lines of speculation.

The truth is less dramatic. The main shape of the Budget is obvious to anyone who has been following the economic debate. This is clear not only from the Press but also from brokers' circulars. The relative accuracy of predictions reflects the quality of analysis.

The change since Lord Bridges' time is the result of a general opening of discussion about economic policy. Key influences have been the adoption of medium-term targets of various kinds and more frequent economic statements. Thus both the conditions set by the IMF from 1976 onwards and the medium-term financial strategy of the past three years have set a generally predictable framework, limiting any Chancellor's freedom of manoeuvre.

Acceptance

Moreover, the autumn economic statement has now become part-one of the Budget. Not only does this reveal public spending plans for the following financial year, leaving tax changes until the spring, but it also discusses the economic and financial outlook. This process has now been taken a stage further with the acceptance of much of the Commons Treasury Committee's proposals on the Armstrong report on Budgetary reform.

This may still fall short of a full "green" Budget but it goes a long way in this direction and includes a ready-reckoner on the impact of tax changes. And ministers have made no secret of their preferences between types of tax change.

Forecast

The result is that any commentator with an ounce of political feel should have been able to forecast the likely shape of the Budget, especially as Sir Geoffrey Howe prides himself on avoiding surprises.

All this may have taken the phoney excitement out of Budget Day, but it is one of the many gains from more open Budget-making. Conspiracy theorists may be disappointed but common sense rather than Treasury nudges and winks provided most of the clues to Tuesday's speech.

Letters to the Editor

Simulations of Labour's reflationary programme

From Mr J. Straw MP.

Sir,—The London Business School began its simulations of Labour's reflationary programme—to which Max Wilkinson referred in his Lombard column on March 10—with the announcement that this was "our interpretation of Labour Party policies." But a further reading of LBS's analysis shows that it was not so much an "interpretation" of Labour policies, but more a parody of them, and one that bears so little resemblance to the original that it was not worthy of a body of the LBS's reputation.

Max Wilkinson mentions two of the major differences between the LBS reflationary proposals and our own. LBS assumed an expansion programme which was at best only two-thirds the size of ours and (most curiously) it assumed that the sterling exchange rate would remain roughly where it now is right to the end of its forecast period in 1986-87. With sterling still at uncompetitive levels, uncertainty over oil prices and the prospect of a current account deficit in 1984 and beyond, this is an improbable scenario even under a continuation of present policies.

But there is a more fundamental problem in the way of the LBS model being used for a serious examination of expansionary policies: which is that it was not designed to do this. LBS in its explanation of its model makes it explicitly clear that the long-term properties of its model arise not as a consequence of its equations, but are, in effect, its starting assumptions: this is in stark contrast to those models—like the Treasury's and the National Institute's—which are constructed from behavioural equations which produce long-term properties as a consequence. One of LBS's assumptions—it is a Catch 22 built into the model—is that in the long run there is no competitive advantage from devaluation—an assumption compounded by the construction of its wage equation which since it uses wholesale prices, cannot take account of the effect of price offsetting measures, like cutting VAT, to counter depreciation upon the retail prices index and the wage bargaining climate. In short, the LBS starts from a monetarist view that reflation will not work: and its model is set to prove the point.

LBS's examination of our policies might be a little more credible if its forecasting track record, even of monetarist policies which its model can simulate, were a good one. But it has been more wrong, more often than most. It has, for example, consistently underestimated the effect of this Government's policies upon the real economy of jobs and output. 1981 was, after all, forecast by LBS to be a year of "mild reflation."

Jack Straw.
House of Commons, SW1.

The highly taxed British family

From Mr W. Holden

Sir,—Your piece (March 15) about the highly taxed British family does not tell the full story.

The married couple earning £6,860 per annum with two children, which you quote as an example, pay £1,933 in income tax. Of their remaining £4,927, they will probably pay £250 in general and water rates, and a further £80 in road tax. Assuming that they spend £1,500 a year on food, children's clothing, and power, and £1,200 on mortgage repayments, virtually all their remaining purchases will be subject to taxes such as VAT at 15 per cent, and at even higher rates if petrol or spirits or wine or beer are bought (not to mention cigarettes!). If we took an average taxation rate of 20 per cent on the last £1,897, this equals a further £380. Thus their total tax bill would be £2,643 or 38.5 per cent.

I wonder how this figure compares with other countries?

W. R. Holden.
Vine Cottage,
Warningcamp,
Nr Arundel,
West Sussex

Parliament and the Revenue

From Mr H. Wiggin

Sir,—I agree with the suggestions put forward by Mr Pinto and Miss Stary (March 15), as to ways in which the problems which arose in *Leedale v Lewis* might be avoided in the future.

Both of them accept, however, without criticism, the long-established proposition that the courts cannot consult Hansard as an aid to statutory construction. Does not the Leedale case itself suggest that the time has come when the courts should reconsider this rule?

On October 31 1980 the House of Commons, while reaffirming the status of its proceedings as confirmed by the Bill of Rights, formally resolved that the courts could in future make reference to the official reports of its debates without its prior permission. The main restriction imposed by Parliament on the use by the courts of Hansard has therefore been removed, yet I can trace only one case (*R. v Sec State for Trade Ex p Anderson*, Financial Times, February 9 1983) since that date in which the Commons' resolution has been referred to. That was a case in the divisional court: what is perhaps needed is a thorough review of the rule by the House of Lords, in the light of the Leedale case and of the Commons' resolution of 1980.

H. W. Wiggin,
The Quadrangle,
Imperial Square,
Cheltenham, Glos.

Bag-in-the-box wine benefits

From Mr E. R. H. Honnor

Sir,—How nice to read for once a piece by a wine guru about bag-in-box which does not indulge in shrill denunciation without consideration for the facts. Mr Penning-Rowsell (March 12) has put his finger pretty accurately on the advantages, some of the failings and, certainly, the commercial realities of the bag-in-box wine trade as it is in this country today.

That said, it may be carping to complain that still he really does not do justice to the keeping qualities of the package itself. If the wine is sound, the filling equipment and procedures properly handled and, let us acknowledge, the packs themselves supplied to specification, there is no question but that bagged wine will keep without deterioration for the four months indicated on the packs. That is the case whether they are tapped and gradually drunk or stored intact.

A further commercial reality that Mr Penning-Rowsell does not mention, however, makes this question somewhat academic. The latest consumer research reveals that the average life of a wine box once bought is about three days. Another—and perhaps the best—reason why the wine trade has been able to overcome its reservations and turn its attention to the beneficial effects on the bottom line.

Roy Honnor.
Bowater Packaging,
Bowater House,
Knightsbridge, SW1.

Obfuscating and only for dons

From Mr H. Deschampsneufs

Sir,—With ref to your very good article "Now for the real war" on the National Coal Board (March 11), may I say that a word like "embourgeoisification" or "schadenfreude" is for dons and not FCAs. Can you not use words I can find in Chambers?!

Hugo Deschampsneufs.
66 Coniger Road, SW6.

Hasta la vista, Halewood

From Mr H. Garvin

Sir,—I see that the workforce is at it—or not at it—again. The Merseyside death-wish.

If and when the odd, unvandalised car emerges, should it not be re-named the Ford Siesta?

H. R. Garvin,
29, Highfield Avenue,
Headington, Oxford.

Close to the ground

From the Chairman, Consolidated Metal Co.

Sir,—Presumably the column's editor was having a little fun when she headed up the page (March 15) on which appeared a letter from Sir Lawrence Airey, chairman of the Inland Revenue, with a photograph of Somerset House captioned "An aerial view." Not that in my own dealings with the Inland Revenue I have ever found them to have their heads in the clouds—quite the reverse.

C. C. McKinnon,
Steelbrite Works,
111 Carpenters Road, E.15.

Selling products to Japan

From Mr W. Crossland

Sir,—I enjoyed Christopher Lorenz's article ("How to reach the Japanese consumer" March 10), the fundamental principals involved in this could be stated in very few words. If one wishes to sell products in Japan, do it in the Japanese way. The manner in which motor parts or anything else are distributed in the U.S. or anywhere else however effective this may be is irrelevant—to succeed study and imitate the efficient locals.

W. Crossland,
"Lucy's," Hythe, Kent.

FINANCIAL TIMES

Friday March 18 1983

Peter Montagnon looks at a new role for the CD market

Banks tap fresh medium-term funds

THE GROWING number of sovereign debt reschedulings is forcing many international banks to take a much closer look at the way in which their loan portfnlin is financed.

A rough count of all the debt restructuring announced since the Mexican debt crisis exploded last summer suggest that internatinnal banks will have to tie up almost $45bn in new medium-term loans this year and next to refinance the maturing debts of Latin America and Eastern Europe.

Snme countries have yet to announce rescheduling proposals and the $45bn figure is further swollen by the $15bn in extra loans being sought by the countries concerned purely to finance their balance of payments deficits.

The total amounts involved are not especially large when compared with the traditional turnover of the syndicated credit market. In the past such lending has easily been financed through the inter-hank money market, but the rescheduling operations now being negotiated are different in twn important respects.

In the first place they are more or less compulsory. Banks nn longer have the freedom to liquefy their balance sheets by refusing to refinance the debt of a particular borrower whose appeal as a creditor may be diminishing. Second the volatility of the interbank market since the Mexican crisis means it can nn longer be regarded by hanks as an endlessly renewable source of short-term funds.

Faced with this, many banks are now seeking to secure their access to a long-term source of floating rate funds which can be used to finance thet part of their loan portfolio which is effectively immobilised by reschedulings.

One method, which has become common practice in the Eurohond market, is the use of interest rate swaps. This involves the launch of a fixed-rate bond issue by the hank concerned, which is then swapped with floating rate debt incurred by another horrower, typically a small or medium sized U.S. company.

The shareout of costs involved means that the bank ends up with a long-term floating rate borrowing that is exceptionally cheap, it may even involve a cost below the London interbank offered rate (Libor) for Eurodollars, which is the conventional benchmark for syndicated Eurocredits. Since last August, Deutsche Bank has used this system to launch $710m worth of fixed-rate Eurobonds, which have been swapped into floating rate debt to support its medium-term loan portfolio.

Now a new mechanism is coming into play as swap opportunities become harder to find. It goes under the rather convoluted name nf the "Certificate of Deposit Issuance Facility," but the principle is the same in that it gives the borrowing bank secure access to money market type funds over the medium term.

Certificates of deposit (CDs) are basically short-term tradeable bank deposits that can be sold by the holder into a hroad and active secondary market. They are bought by a range of investors that may include corporations, institutions and central banks and even wealthy private individuals as well as commercial banks.

Banks participating in an issuance facility undertake to purchase a given amount nf CDs from the borrowing bank at any time in the life of the facility. They receive a commitment fee for doing so, as well as an issuance fee when the certificates are first sold.

This allows them to make a turn when they place the CDs in the market, much as a bond underwriter does when lacing bonds with investors.

The borrowing bank can be sure that it will be able to fund itself throughout the life of the facility by issuing CDs and rolling them over each time they mature. The CDs must be bought up by participants in the facility and as with interest rate swaps, the price can be advantageous compared with other instruments such as flnating rate notes.

For example, a current five-year facility being arranged by Citicorp for Sumitomo Bank will involve the issue of CDs at a margin of ¼ point below Libor. Participants will receive a ⅛ point commitment fee and annual draw-down fees ranging from ⅜ points to ½ point on amounts thet are actually outstanding.

The amount nf the facility is not nnly large at $400m but it is also the first such facility for a Japanese bank, underlining the particular relevance nf such a scheme to Japanese institutions, which face particularly stringent nfficial requirements to match the maturity of their assets and liabilities.

Other banks thet have launched similar facilities include Banque Nationale de Paris ($300m), Banque Indosuez ($100m) and Credit Lyonnais ($200m to $300m).

It is understood that French banks have fnund CD facilities particularly attractive because they are being urged by the Bank of France to rely less heavily on the interbank market. But the facilities are still more expensive than straightforward interbank funding.

They may appeal less to banks from countries whose regulatory authorities will not allow them to be used to satisfy prescribed capital ratios or the matching of maturities on both sides of the balance sheets.

The further development of the facilities also depends on the willingness of the investing community to hold bank paper.

THE LEX COLUMN

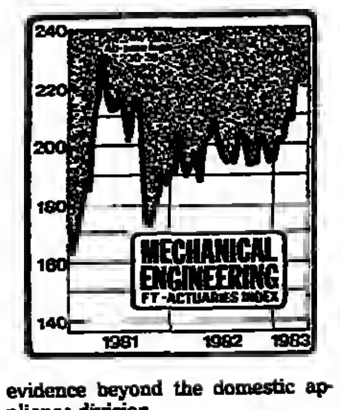
Recovery hovers in the wings

GKN and the GI Group yesterday left the London stock market clutching at straws for the first positive proof of an industrial recovery. But this was always more likely to be offered, if at all, hy companies from the lighter end of the engineering sector like Glynwed or Delta which supply the construction industry and can expect to have a rapt audience for their year-end statements, due shortly.

In the meantime, the biggest UK engineering group has its own special reasons for casting a cold eye on early signs of recovery. A mid-year downturn in 1982 evidently cut GKN's first-half improvement dead in its tracks, leaving pre-tax profits for the year of just £40.8m, 75 per cent of it earned in the first six months, and a £65m hole in the group's reserves.

GKN's continental European operations have held up rather better than expected, with trading profits up from £38m to £50m and the U.S. automotive parts distribution husiness has also done relatively well. But Detroit's second-half weakness has cut the group's exports to the U.S. from £82m to £58m and has helped reduce the UK forging husiness to a break-even level. This, together with £12m spent on 5,000 UK redundancies, explains why GKN has lost £1m in the UK since last July, shrinking the home market share of the 1982 trading profit to just 12 per cent and producing an effective group tax rate of 85 per cent.

Below the line rationalisation costs of £52.5m, which include a £10m write-off of GKN Contractors, have paved the way for some rebound, and the shares gained 2p to 156p yesterday in a falling market. But a sustained pick-up in its major markets remains the pre-requisite for pre-tax profits much above £85m for 1983, let alone for an eventual asemblance of cover for the dividend, and GKN is already knee-deep in telex offers for a deep discount bond issue.



TI Group

Since the TI Group shed the dead weight of its British Aluminium stake last October, its shares have staged a brisk rally from 118p to a high point of 174p. The performance of the shares yesterday, when they fell 6p to 166p, showed the degree of over-optimism about a manufacturing recovery that has prompted this re-rating: despite plenty of hints of a coming upturn, the company could show little firm evidence beyond the domestic appliance division.

Even without the aluminium stake, which would have pushed the pre-tax results into losses of around £2m, profits emerged at only £4.7m on sales of £887m. Admittedly this showed a £15m swing from last year after exclusion of property sales, hut two of the main trading divisions – cycles and steel tubes – were still deeply stuck in the recession, while the machine tool activities in the improving specialised engineering business were also in loss.

With interest payments eating up about 80 per cent of trading profits last year, and debt likely to stay flat, TI must be looking for a sizeable upswing in trading profits if it is to achieve its stated objective of restoring some of its diminished dividend. But until the decline in sterling shows a more tangible impact on results, the shares may need more than a 6.6 per cent yield to support them.

Mail order

Six weeks of feasibility studies and behind-the-scenes horse-trading do not appear to bave shifted any of the participants in the Sears Holdings scheme for the mail order industry from their original entrenched positions. Grattan remains enthusiastic, while Empire has produced an enigmatic statement which does not specifically refute the potential cost benefits of the combination but instead talks airily of service and philosophy.

Empire may find that by co-operating in the joint feasibility study it has weakened its prospective defence against a full offer from Sears, which will presumably be happy to wave the document at anyone who cares to read it – the Office of Fair Trading included.

Sears could probably count on the support of Grattan's management in a full offer for the two companies, while – in the case of Empire – greater opposition is likely from GUS, which retains a 29.9 per cent holding, and perhaps from the Monopolies Commission, than from the general body of shareholders.

BP

British Petroleum's overwhelming dependence on the income stream from Sohio became a shade less embarrassing in the final quarter nf 1982 as the group was able to put its flexible purchasing position and relative currency advantage to good use in the European downstream operations.

As a result, net income before extraordinary items is down by only a third for the full year – to £716m on a historical cost basis. This is better than might have been expected a few mnnths ago although yesterday's statement also made it abundantly clear how difficult it is to reverse the underlying fortunes of a leviathan like BP.

The surgery carried out by the new chairman has stripped around £250m of annual costs from the group and BP is still seeing the working capital benefits of volume shrinkage. Group capital expenditure, meanwhile, is being only maintained in nominal terms this year and cash flow from the Magnus field will be rising during the second half. Yet, against this apparently auspicious hackground, BP is still expecting to see an increase in debt this year, with net group horrowings probably holding at around 28.5 per cent of sharehnlders funds. The yield on BP shares remains stubbornly above 9 per cent at last night's price of 332p.

Rank Organisation

It is characteristic of the Rank Organisatioo that the surrender message of a justifiably beleaguered management should read like a roll-call of past heroes. The outstanding contribution of the board, individually and collectively, is duly noted, while the company's disastrous financial performance is carefully attrihuted to subsidiaries which, to judge from yesterday's chairman's statement, operate quite independently of head office. The changes forced by the institutions are probably more fundamental than is initially apparent from the statement, although they certainly fall short of what many at yesterday's annual meeting had been hoping for.

Rumasa to remain in state care

By David White in Madrid

NONE OF the companies of the Spanish Rumasa group is likely to be sold back to the private sector this year and some activities may remain in state hands.

This was made clear by Sr Ricardo Goytre, appointed to head the non-financial side of Rumasa after its expropriatioo by the Government last month.

Numerous proposals had already been received from Spanish and foreign interests for parts of the wide-ranging group, but no decision could be expected for some time.

"Offers are coming in every day," Sr Goytre said. The sectors likely to be returned to private hands include Rumasa's extensive wine interests and its high-performing hotels.

However, Sr Goytre indicated that some subsidiaries, for instance in mining or in public works, might be kept on as state companies. Some other interests would be liquidated.

Meanwhile, the authorities would try to ensure efficient management of Rumasa's interests – the largest nf which is the Galerias Preciados store group – and would honour all its obligations, he said.

He indicated that deals would be sought in which eventual purchasers would take responsibility for some of Rumasa's prohlem interests.

The auditing process is expected to cover at least 600 companies. This compares with the 212 included in the expropriation decree and a further 88 which the Government later said had been found to be controlled by Rumasa.

Sr Goytre said this hidden side of Rumasa, known as Rumasa "B", was thought to include the Fernando Terry sherry company, the result nf "a very recent operatinn." Some 40 additional Rumasa companies had also surfaced in London.

As many as 300 undeclared companies had come to light solely in the banking, financial, stock market and insurance sectors.

Rise in output prompts further hope for upturn in UK economy

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

FURTHER evidence that the UK economy may at last be pulling out nf recession was published yesterday, after Tuesday's figures that showed that manufacturing output rose sharply in January.

Yesterday, the Central Statistical Office published the latest leading indicators for the economy, which all pointed to "a continued upswing in the business cycle."

The longer leading indicator, which predicts the state of the economy about a year in advance, rose for the twelfth consecutive mooth. The shorter leading indicator also rose, establishing a clear upward trend since its low point in 1980. The coincident index, intended to reflect the current state of the economy, has also been rising steadily.

On Tuesday, overshadowed by the budget, the February index for UK manufacturing output showed a 2½ per cent jump, after an unexpectedly large increase in retail sales in December. These indications, combined with sharp rises in imports of materials and capital goods in January, have encouraged a mood of nptimism among the Thatcher Government's econnmic managers.

This mood began on February 28 with the publication of the latest Confederation of British Industry survey nf companies, which suggested a significantly improved trend of orders, exports and output, with a reduced teodency to think thet stocks were too high.

Treasury ministers have been cautious about expressing renewed hopes for recovery because of their unhappy experiences last year. A series of highly optimistic speeches in the spring incurred the wrath of businessmen and later proved embarrassingly wrong.

Nevertheless, Treasury officials are now quite confident in private that recovery in the U.S. and a revival of manufacturing output in West Germany will add to the other forces for recovery in the UK.

They also believe that 13 per cent depreciatioo of sterling since November should give UK industry a better chance to compete for exports and to hold back imports. At the same time, the latest figures for earnings and wholesale prices suggest that inflationary pressures remain weak, although the February retail price inflation figure, due out this afternoon, will show a small increase to an annual rate a little over 5 per cent.

The more buoyant mood about the prospects for a revival of world trade were reinforced on Wednesday by Mr Donald Regan, the U.S. Treasury Secretary. He said that the official projection of 3 per cent growth for the U.S. economy in the 12 months to the fourth quarter of this year was too low. He believed growth would be nearer to 5 per cent.

In the UK Treasury, there is anxiety that businessmen should not be cooditioned into prolonged scepticism as a result of the three years of depression and the "false dawns" of last year. This feeling was reflected in the official budget forecast of 2 per cent growth this year.

Braniff in new bid to survive

By Paul Taylor in New York

BRANIFF INTERNATIONAL, the Texas-based airline that stopped flying last May, has all but conceded defeat in its battle to survive.

It has suggested that unsecured creditors can only expect to receive 8 cents to 10 cents for every dollar owed hy the airline.

The company, which filed for protection onder Chapter 11 of the U.S. bankruptcy code said yesterday it was working oo a reorganisation plan to preseot to the bankruptcy court by April 4.

Under this plan, Braniff would shed all its assets related to flying and slim down to a small operation, providing ground service and contract maintenance for other airlines.

Mr Philip Guthrie, chief financial officer, estimates that secured creditors could expect to receive between 60 cents and 70 cents in the dollar, while unsecured creditors would receive considerably less.

Wheo the airline ceased operations it had assets of $766.9m and debts of about $750.4m according to earlier Braniff estimates. However, the assets may be worth considerably less because of the lack of demand for secondhand aircraft.

Holders of Braniff's preferred and common stock are unlikely to receive anything at all.

The latest plan comes after the collapse of a scheme under which PSA, which operates Pacific Southwest Airlines, would have leased Braniff equipment to start a Texas-based airline.

PSA said on Monday that it had abandoned the scheme after it was rejected by the courts. Subsequent negotiations to revive a joint venture have also failed.

Braniff now has until the April deadline to come up with a new reorganisation plan. If it fails, the court could consider petitions from other parties.

The fate of Braniff's 62 aircraft, engines and other spare parts is still unclear. One possibility is that Braniff may propose turning over the assets to the secured creditors and possibly offering to help sell the jets.

However, the unsecured creditors may seek to challenge such a move which could result in a court battle.

BP may accept small price cut

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

BRITISH PETROLEUM hinted yesterday that it would be prepared to accept a modest cut in North Sea oil prices in order to avoid a pricing hattle with members nf the Organisation of Petroleum Exporting Countries (Opec).

As a result, it is now looking increasingly likely that British National Oil Corporation (BNOC), the main trader of UK crude oil, will next week recommend a new North Sea reference price of between $29.50 and $30 a barrel. This would compare with $30 charged for similar oil by Nigeria and $29 agreed by Opec as the new reference price for Arabian light crude.

Mr Peter Walters, BP chairman, said be hoped that non-Opec producers like the UK, Mexico and the Soviet Union would "not rock the boat" and would set prices in line with those agreed on Monday by the 13 Opec members. He said it would be "self-defeating" for producers like Nigeria and the UK to chase each other's prices downward.

The comments were in marked contrast to the puhlic stance taken by BP last week when it warned that Opec was in danger of fixing a price structure that would fall apart. Mr Walters said that BP had tried to provide a "technical man's" view of oil prices in the hope that Opec would reach a credihle production and pricing settlement.

The company did not want to see a sudden collapse of prices which, he said, would be followed by harmful sharp increases. He hoped the Opec settlement would be given a "fair wind."

BP is among the substantial number of BNOC customers still paying $33.50 a barrel for North Sea oil. It has not accepted BNOC's recommendation that prices should be cut to $30.50. Like all North Sea companies BNOC is now reviewing its pricing position and it could be next week before new negotiations begin.

● Egypt has reacted to Opec's decision to cut oil prices by reducing the price of its prime Suez blend by around $2 a barrel, just over a month after the last price cut. A typical new rate is $27 a barrel

Lex, this Page; details, Page 22

Bundesbank cuts rates

Continued from Page 1

against the D-Mark nf DM 0.345, fnrcing the Bank of France back into direct support of its currency after operating fnr some days through a squeeze on Euro-franc interest rates.

Pressure on the franc re-emerged yesterday as figures issued by the Bank of France seemed to imply that it had spent a massive FFr 23hn (about $3.4hn) in supporting the franc in the week March 3–10. In the whole of 1982 the cost of interventinn was about $12hn.

Plan for reflation in Europe

Continued from Page 1

would then have access to increased export markets as well as needing more imports.

However, it recognises thet Europe as a whole might need to impose some restrictions on trade with the rest of the world, and increase energy saving investments to avoid an excessive increase in oil imports.

The group believes that some restraint nn imports to Europe would be justifiable if there was a guarantee thet they would continue to rise.

In the absence of a global agreement to reflate, which does not at present seem likely, the group suggests a programme of expansion in four stages.

The first might be led by France, Spain and Greece. They would not be able to sustain an expansion on their own for long, but if another group of countries, including the UK, Sweden and Italy, joined the expansion after two years, it is argued that balance of payments could be contained at least within the bounds of official support.

Other countries, including West Germany and the U.S. are assumed to join in the expansionary movement as the mutual benefits of increased world trade became evident.

The Forum suggests that the direct stimulus needed to reverse the present recession would need to be about 3 per cent of total income, or about $100bn a year. This is assumed to be enough to lift the growth rate of output from 2 per cent a year to 5 per cent.

Out of Crisis, a project for European Recnvery Forum for International and Political Social Economy, edited by Stuart Holland, Spokesman University Paperback no 39, £2.95, Bertrand Russell House, Gamble Street, Nottingham, England.

Bonn coalition agrees tax cuts

Continued from Page 1

big arguments, over policy and personnel, with the "Union parties."

Herr Kohl's Christian Democratic Union (CDU) and the Bavarian Christian Social Union (CSU) agreed in separate talks earlier this week on a tough stance in legal and social affairs which the liberals will find hard to swallow.

The Union wants to see stronger laws on, among other things, public demonstrations, abortion and the number of foreign children permitted to join immigrant parents in West Germany. The FDP takes a more flexible line on all these issues.

Further, the CSU – and above all its ebullient leader, Herr Franz Josef Strauss – is not very happy about joining a government alliance with the FDP.

It is pointed out by the Bavarians that the liberals spent 13 years in government alliance with the Social Democrats until last October – and lost a lot of ground in this month's election.

Chancellor Kohl has tried to take account of the CSU's views

World Weather

		°C	°F
Ajaccio	C	14	57
Alexandria	S	18	61
Algiers	S	11	63
Amsterdam	R	9	48
Athens	F	13	55
Bahrain	S	20	[illegible]
[illegible]			

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

Arosa (Sw)	90–160 cm	Powder, hard and spring snow
Avoriaz (Fr)	25–175 cm	Snow heavy and alushy
Andermatt (Sw)	45–260 cm	Good snow nn top runs
Grindelwald (Sw)	5–100 cm	Slush on lower slopes
Isola (Fr)	140–220 cm	Deep snow on all pistes
Kitzbuhel (Aus)	10–140 cm	Snow soft and deteriorating
La Plagne (Fr)	10–260 cm	Splendid above 2,000 m
Tignes (Fr)	130–220 cm	Still good piste akiing
Verbier (Sw)	20–170 cm	Good skiing nn upper slopes

European reports from Ski Club nf Great Britain representatives.

THE U.S.

Aspen (Col)	15– 58 ins	New snow. Powder and packed
Hunter (NY)	16– 76 ins	Packed powder
Squaw Val (Cal)	72–198 ins	Groomed packed powder
Sugarhush (Vt)	4– 27 ins	Spring conditions

Figures indicate depths at top and bottom stations.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday March 18 1983

THE BATTLE OVER WALTER HELLER'S SUBSIDIARIES

How Fuji outbid Security Pacific

BY PAUL TAYLOR IN NEW YORK

AT 1.15am on Monday March 14 the word came through to Morgan Stanley. The Wall Street investment bank's clients, Fuji Bank of Tokyo, had agreed to buy Walter E. Heller International's two commercial finance subsidiaries for $425m in cash.

In the process Fuji and Morgan had outmanoeuvered and outbid the tenth largest U.S. bank, Security Pacific, and 'stolen' the deal from under the Los Angeles bank's nose.

Just two weeks earlier Security Pacific, with banners waving, had announced that it had signed a letter of intent with Heller to buy the same two subsidiaries for $400m.

At that time, and subsequently while on a visit to Europe, Mr Frank Cabouet, vice chairman of the fast growing bank, had proudly announced that the planned acquisition was "particularly important" because "the Heller companies have a franchise that would take us many years to duplicate."

The Heller deal with Fuji was a bitter blow to Security Pacific which has embarked on an aggressive acquisition and diversification strategy over the past 12 months. Walter E. Heller and company and Walter E. Heller Overseas, the two subsidiaries, have combined assets of more than $3bn, and would have dove-tailed in with Security Pacific's existing commerical finance subsidiary, Security Pacific business credit, which has assets of about $500m.

The bank is saying little publicly about the affair. The papers are now said to be with Security Pacific's lawyers "for consideration."

Nevertheless, Mr Richard Flamson, Security Pacific's chairman, has said he feels "undaunted" and that he will "continue to seek acquisitions."

Naturally Fuji Bank, the second largest bank in Japan with assets of $87bn, is delighted with the deal.

The history of the deal goes back many months, while Wall Street was speculating that Heller International might choose to sell its third major subsidiary, American National Bank, to bolster the group's flagging earnings the domestic and international finance companies were put up for sale and Salomon Brothers was commissioned to look for potential buyers.

In November, Salomon approached Fuji, which had already undertaken a strategic study of the U.S. market and was looking to extend its existing U.S. operations. These include a New York state chartered bank, the Fuji Bank and Trust Company, agencies in New York and Los Angeles, a branch office in Chicago, and representative offices in Houston, San Francisco and Seattle.

Mr Richard J. Flamson

Mr Yoshiro Araki

Morgan Stanley was hired as Fuji's investment advisor around the turn of the year.

"We decided Heller made a lot of sense," said Mr Robert Greenhill, a general manager of Morgan Stanley. Information was exchanged and meetings took place in mid January. At that stage Morgan says it was unaware of the Security Pacific interest or of any other possible bids. Eventually, according to Fuji, a proposal, including a $425m cash bid, was made to Heller – before the Security Pacific agreement was announced.

What happened subsequently is still confused. Mr Franklin A. Cole, chairman and chief executive of Heller International, said when the Fuji deal was announced, "we began discussions with the Fuji Bank several months ago" but gave no explanation for cancelling the Security Pacific deal.

Mr Robert Meyers, Hellers' treasurer, says no formal bid was received from Fuji ahead of the Security Pacific agreemeot. "Fuji was amoog a number of companies we had talked to before signing the letter of intent with Security Pacific" he said. According to Mr Meyers an "unsolicited" Fuji offer came about a week later.

Morgan says in retrospect that it considers Fuji's initial proposal to Heller did constitute an offer, but accepts that there was a degree of confusioo which was subsequently clarified by Fuji representatives.

What is clear, however, is that a number of banks were interested in the Heller companies. According to some bankers, up to five banks, including Fuji, were looking at the commercial finance subsidiaries at one stage.

Heller may initially have leaned towards the Security Pacific offer, among other factors, because of Heller's earlier unhappy experience with another overseas suitor, Midland Bank in the UK. Security Pacific has assets of $37bn.

In 1979 Midland signed a letter of intent to buy the whole Heller group for $250m, but the deal subsequently fell through and Midland went on instead to buy cootrol of Crocker National Bank.

Another factor may bave beeo that Fuji initially imposed a number of conditions oo the deal. Subsequeotly the Heller board may bave been swung not only by the fact that Fuji was offering $25m more than Security Pacific but also because Fuji removed wbat appears to bave been a major stumbling block, namely its earlier insistence on Japanese finance ministry approval.

Heller may have also been influenced to change its mind in favour of Fuji by the removal of other minor conditions and by an apparent effort by Fuji to reassure Heller of its intentions and set aside any fears the Heller board might have been harbouring.

Mr Ko Vemura, Fuji's senior managing director in charge of international operations, and Mr Toru Hashimoto, joint general manager of the bank's international division, flew to the U.S. for the final negotiations.

Announcing the deal Mr Yoshiro Araki, president and chief executive of the bank, said "the acquisition of Walter E. Heller and Company and Walter E. Heller Overseas Corporation, together with our oetwork of U.S. banking operations, is part of Fuji's commitment to provide financial services to the American business marketplace. We want to participate in a meaningful way in the U.S. financial services marketplace by applying our resources and expertise.

"Specifically there are important opportunities for growth io America's large corporate and middle markets such as those segments in which Walter E. Heller and Company and Walter E. Heller overseas corporations have leadership positions."

Fuji's existing Chicago operations, Mr Vemura says, are focused on wholesale banking for larger U.S. corporations. Thus he said the Heller middle market thrust will be complementary.

"They have a knowledge of that market which we do not bave. Mr Vemura said he boped the deal would be finalised within about six months."

Nevertheless Fuji recognises that it may be two or three years before the bank sees a proper return oo its investment and that the process may involve some weeding out of poor assets.

"I think they have assets that might have to be written off but together I think the future for them is very bright," said Mr Vemura.

Fuji has also indicated that if necessary it will bring new capital into the commercial finance units. The key to the success of the deal, however, is that Fuji, like Security Pacific, bas access to cheaper funds than Heller.

The Fuji move is certainly a bold one. But it also puts a lot of cash into the Heller coffers. In Chicago and elsewhere the speculation was already begun about what Heller will do with $425m.

On the one band the cash would enable American National to move up the Chicago banking league by acquisition, American National with $3.3bn in assets is currently the fifth largest bank in Chicago. It could also make the bank itself a prime takeover target.

Heller is staying quiet about its intentions for the moment. Nevertheless, Mr Meyers ootes that there are "an awful lot of options." He said these include paying off all or part of the bank's $228m debt, selling the bank to realise the assets for the 11,000 plus shareholders or aquiring other banks.

Whatever the outcome, the setback for Security Pacific is unlikely to leave lasting scars. Just three days after it discovered it had beeo gazumped by Fuji, Security Pacific was back on the acquisitioo trail, this time buying two New York-based private municipal and corporate bond brokerage firms.

Tax hits Statoil results for 1982

By Fay Gjester in Oslo

STATOIL, Norway's state oil concern, reports group pre-tax profits of NKr 3.4bn ($476m) in 1982 – NKr 1.5bn up from the previous year. Net profits dropped, bowever, to NKr 402m, from NKr 1.02bn, mainly because of a steep increase in tax outgoings (to NKr 2.3bn, from only NKr 350m).

The higher 1982 tax figure, in relation to profits, reflects the fact that, in the first part of 1981, the group was still repaying the deficits it had accumulated during its development phase. At the end of 1982, Statoil held larger than usual stocks of oil on which tax had been paid (the tax falls dne as soon as the oil is extracted) but which had oot then been sold.

The group expects turnover this year to reach about NKr 21bn, compared with NKr 16.8bn in 1982 and NKr 13.5bn in 1981. This includes sales by Statoil's marketing and refining subsidiaries, Norsk Olje (Norol) and Rafinor.

It foresees unchanged profits in krone terms from last year, since higher production and a strong dollar will offset the effect of price falls. Statoil does not believe that oil prices will fall much further in 1983.

Investments this year are forecast at about donble the 1982 figures of NKr 6.1bn – itself more than donble the NKr 2.95bn invested in 1981. Major investment projects in which Statoil is involved are the Statfjord and Gullfaks oil and gas fields, the Heimdal gasfield, and the Statpipe gas gathering system.

Mr Arve Johnsen, managing director, attributed last year's good results to two factors: high oil prices and a marked rise in output from the Statfjord field.

C. H. Butcher plans to merge 12 banks

MR C. H. BUTCHER, the Knoxville banker, plans to combine 12 banks in which he has an interest into a single holding company with assets of more than $1bn. The move is subject to regulatory approvals.

Mr Butcher said the holding company would be financed by more than $30m of new capital and equity investmeots.

The funds would come from his home in Knoxville, which has been appraised at about $1m, the current net worth of United Hamblen, which is valued at more than $7m, as well as other assets.

He would make available whatever assets he had "to ensure that no depositor or investor in any of my financial organisations loses one nickel as long as I am solvent."

Mr C. H. Butcher is the brother of Mr Jake F. Butcher, who recently resigned as chairman of the United American Bank of Knoxville after that bank's failure.

An official said Mr Jake Butcher no longer had an interest in any of his brother's banks, and that ownership was split some time ago.

Reuter

Great Northern Telegraph

By Hilary Barnes in Copenhagen

GREAT NORTHERN Telegraph will pay an unchanged 12 per cent dividend after increasing earnings before extraordinary items from DKr 53m ($6.1m) to DKr 59m. Sales increased by 8 per cent to DKr 1.8bn.

Net profits declined from DKr 88m to DKr 70m, reflecting a higher level of extraordinary incomes in 1981 from the sale of shares in Storno, a radio telephone maker.

The group owns 20,000 km of telecommunications cables between the Russian mainland and Japan and between Denmark, Iceland, Greenland and North America. It also owns several Danish manufacturing companies in the electrical engineering field.

Last year's earnings were pulled down by a DKr 29m loss for one of these companies, LKNES, an electrical equipment manufacturer with turnover last year of DKr 723m. The loss was offset, however, by satisfactory telecommunications and financial incomes, said the preliminary report.

Netherlands Antilles fight U.S. threat to tax-haven prosperity

BY CHARLES BATCHELOR IN LONDON

THE MODERN air-conditioned blocks which have sprouted among the colonial traders' mansions add nothing to the architectural charm of Willemstad, capital of the Netherlands Antilles.

The banks and trust companies which occupy the blocks have, by contrast, done much to make the Antilles one of the more affiueot island groups in the Caribbean.

Now, as negotiations with the U.S. Treasury about a new tax treaty reach their most critical phase, a large part of that prosperity is under threat.

The U.S. tax authorities, who last year cancelled a treaty with the British Virgin Islands, just as an offsbore banking and financial iodustry was starting to develop, are clearly inteot oo clipping the wings of some of the bigher flying tax havens.

Established in the late 1930s, when a young Dutch lawyer began setting up companies to bold assets which were being moved out of the Netherlands in anticipation of war, the Antilles' offshore industry bas grown into a billioo dollar business.

There are now about 25,000 offsbore companies listed – defined as those which do no business locally and which are owned by non-residents – althougb 40 per cent of these are "dormant."

Finance companies allow U.S. corporatioos to borrow billions of dollars oo the Euromarket without paying U.S. withholding tax; property companies cbannel vast sums into U.S. real estate, while holding, royalty and patent bolding companies provide a low tax base for investment and trading activities.

At least 26 banks, many of them subsidiaries of large Dutch institutions, have been established in the Anülles to carry out offshore busioess, while a large oumber of trust companies also provide management services to corporaüons registered on the islands.

They are backed up by a large community of accountants and lawyers. About 1,000 people are employed directly, while another 4,000 find indirect employment in the sector.

Little official information has been released on the progress of the treaty talks, which bave been continuing for two years oow, and what has been made known suggests the two sides are making good progress.

Unofficially, bowever, Antillean offsbore specialists take a gloomy view of the tough line that is being taken by the U.S. Treasury.

The main issue dividing the two sides is "treaty shopping," the use by non-Antillean residents of the islands for channelling investmeots ioto the U.S.

Io the past, companies which established a nominal presence in the Dutch Antilles could take advantage of the U.S.-Antilles tax treaty. The U.S. now wants to limit this facility to genuinely Antillean companies, according to local bankers.

"Fewer than 100 Antillean residents are using the treaty," one banker said. "The whole offsbore industry is based on the fact that people in other countries use it."

The Antillean counter-proposal is that residents from countries which themselves have tax treaties with the U.S. – such as France, West Germany and the Netherlands – should be allowed to operate through the Antilles.

A second major issue oo which final agreement still has to be reached is the provisioo of information about investors to the U.S. tax authorities.

"There will be an exchange of information, to some degree, but we don't want to go as far as providing a nome ond an adress," another banker said. "We are willing to say that someone is, for example, a Dutch or German national and not a U.S. citizen."

But unless the U.S. is prepared to guarantee that it would not pass on detailed information to an individual's local tax authorities, many investors might cease to use the Antilles.

The U.S. does seem willing to allow finance companies, through which U.S. companies borrow on the Euromarket, to continue to operate, though this owes as much to lobbying by U.S. corporations as it does to aoy persuasion on the part of the Antilleans.

"That is not really a concession," an Antillean banker said. "They oeed them more than we do. In the short term, U.S. corporations would really hove great trouble refinancing all the outstanding bond issues."

The Antilles has also retained its real estate investment companies, which have helped make the islands the sixth largest investor in the U.S. as well as the royalty and holding companies, though the last two are not major revenue earners.

One banker estimated the Antilles would lose o quarter of its annual offsbore income if cbanges already agreed go through, but this does oot take into account any ban oo "treoty shopping."

"Now we are getting near to the bone," be said. "We could never accept a treaty with these provisions. We would lose momeotum and fossilise."

Klöckner sees secure liquidity 'until May'

BY JAMES BUCHAN IN BONN

KLÖCKNER-WERKE, the West German steelmaker, expects no "financial tight spots or difficulties" in the foreseeable future despite losses oo its steel operations of up to DM 40m ($16.7m) a mooth at the start of the current year, beginning October 1.

Dr Herbert Gienow, chief executive of the Duisburg concern, said that the company's liquidity position was secure at least until May, wheo shareholders are expected to approve a board proposal to raise DM 100m in new equity through an issue of convertible loan stock fully guaranteed by CRA, the Australian mining and metals group.

CRA's readiness to take up the issue, which follows its investment of DM 125m in a technology-sharing arrangement since 1981, "is a sign of confidence in us from somebody wbo really knows our conditions," Dr Gienow said.

Although the company reduced its operating loss last year to DM 48m from DM 88.6m in 1980-81, and detects a very ligbt improvement in the market for flat products in the past mooth, it is pushing forward plans for a restructuring of its steel business.

Dr Gienow said the concern was still ready to entertaio a proposal for a three-way merger with Hoesch and Salzgitter. This proposal has foundered oo Hoesch's oppositioo and it was announced yesterday that Salzgitter saw no advantages in merging with Hoesch alone. Dr Gienow said Klöckner will pursue talks with Salzgitter on the so-called "Nordstahl" concept, a merger idea that stretcbes back to the 1960s, and whicb offers saving in "three-digit" millions of D-Marks.

However, Klöckner has also informed the Bonn Government that it is ready to "go it alone," as long as assistance is provided. In that case, Klöckner-Werke plans much sharper cuts in capacity and will reduce the workforce in the steel division from about 14,000 to 11,000.

Dr Gienow said that the concern also intended to expand its manufacturing activities, whicb cootributed 44 per cent of total sales revenues last year.

West German private bank improves

By Stewart Fleming in Frankfurt

SCHRÖDER, Münchmeyer, Hengst, the West German private bank and securities house, has reported a sharp rise in its operating earniogs for the secood consecutive year. The bank, which has beeo expanding rapidly in the field of international funds management, said that last year operating income rose by over 20 per cent. No detailed earnings figures are disclosed. The bank said, however, that its oet interest earnings excluding current income from securities rose by 27.3 per cent to DM 65.8m ($27.6m). Total assets of the bank remained virtually unchanged at DM 2.16bn.

In the bank's lending operations, the improvement in income reflected in part favourable interest rate trends, and a repetition of the good lending results is not expected in 1983. But commission income has been expanding strongly too, partly reflecting the strong West German securities markets and the bank says that it expects to maintain, if not improve its earnings in these areas of its business.

Mitsubishi Chemical omits payout after pre-tax loss

BY YOKO SHIBATA IN TOKYO

MITSUBISHI Chemical Industries made a pre-tax parent company loss of Y2.17bn ($9m) in the year to January 31 1983, compared with profits of Y4bn previously. The loss came in spite of the sale of Y6.1bn worth of securities and is blamed on falling carbon product sales and earnings setbacks in the petrochemical sector.

The company is passing its annual dividend; for 1981-82 a payment of Y5 a share was paid.

Unconsolidated sales were Y74bn, down 2 per cent from the previous year. The company set aside Y15bn for losses accrued on its aluminium refinery venture (Mitsubishi Aluminium) in a special loss account.

As a result the net loss was Y8.6bn compared with net profits of Y3bn previously. Losses per share were Y7.87, against per share profits of Y2.83 in the year to January 1982.

During the past year, sales of the carbon product sector fell by 1.8 per cent to account for 30.1 per cent of the total sales. Sales of the petrochemicals division declined by 6.2 per cent to 41.4 per cent of the turnover. Cheap imported products and higher material costs resulting from the yen's sharp depreciation were said to be the reasons for this.

In the current year, ending January 1984, the company sees a recovery in profitability for petrochemicals.

The company plans to cover losses arising from Mitsubishi Aluminium by special profits and hopes to restore its dividend. Full year sales are expected to rise to Y760bn.

Slide at Sony in first quarter

BY OUR TOKYO STAFF

SONY has made a disastrous start to the present financial year with first quarter (to January 31, 1983) consolidated net earnings plunging by 71.4 per cent to Y5.98bn on marginally lower sales of Y273bn.

Consolidated net profits per share were Y26, compared with Y91 in the same period of the previous year.

During the three months the company increased video cassette recorder sales by 13.3 per cent, to 510,000 units, but due to intensified price cutting competition sales revenues from VCRs rose only 2.4 per cent. Sales of television sets dropped by 2.7 per cent to account for 23.7 per cent of the total turnover.

Despite a strong performance by the newly-introduced Compact Disc Players, audio equipment sales dropped 5.4 per cent to account for 23.3 per cent of the total turnover. A boost in floppy disc sales, up by 8.6 per cent, saw them account for 11.4 per cent of the total.

First quarter overseas sales, accounting for 70.9 per cent of the total turnover, fell by 2.6 per cent from the same period in the previous year. However, Domestic sales rose by 6.4 per cent.

HK hotels group earns less

BY ROBERT COTTRELL IN HONG KONG

A 5 PER CENT fall in 1982 net profits is reported by Hongkong and Shanghai Hotels—to HK$127.3m (US$19.2m) from HK$134m for 1981. But the total dividend is increased, a final payment of 70 cents making HK$1.0 a share against 83.33 cents for 1981, adjusted for an intervening one-for-five scrip issue.

The directors say that they expect to maintain the interim dividend at 30 cents for the current year, but that no forecast can be made for the year-end distribution. The group's best-known asset is Hong Kong's Peninsula Hotel. Last year, it demolished its Repulse Bay Hotel in preparation for a residential redeveloopments which has been shelved owing to the prevailing local property market recession.

Hysan Development Company has registered maiden full-year net profits of HK$164.3m, beating by HK$11.3m the forecast made at its flotation in September 1981. A final dividend of 2.5 cents makes 4.5 cents a share for the year, as forecast.

The group says it expects higher profits in 1983.

Realty Development, a subsidiary of the Wheelock Marden group, reports a steep drop in net profits for 1982, down to HK$183m from HK$556m in 1981. The lower profits came in spite of extraordinary earnings of HK$123m and reflects the falling income of the property group following its gains from the sale of two big properties in the previous year that boosted extraordinary income by HK$346m.

Realty is recommending a 21 cents a share dividend plus a 10 cents bonus on "A" shares. The total payout will be HK$87m compared with HK$302.5m in 1981.

● Trading in the shares of First Pacific Holdings and First Pacific Finance, both Hong Kong companies belonging to the Liem family of Indonesia, were suspended yesterday at the companies' request, pending an announcement today.

Stockbrokers expect a rights issue to raise some HK$700m (US$105m) to finance FPH's acquisition of the Hibernia Bank of San Francisco, currently privately owned by the Liems.

Government inquiry into Escom

By Bernard Simon in Johannesburg

THE South African Government has set up a commission of inquiry into the Electricity Supply Commission (Escom), the country's largest public corporation and its heaviest borrower on international capital markets.

The inquiry's terms of reference include the structure and functions of Escom and other electricity suppliers, as well as their cost-effectiveness. Escom generates 93 per cent of South Africa's electricity.

The commission will be chaired by Dr Wim de Villiers, former chief executive of General Mining Union Corporation, the mining and industrial conglomerate. Most of its other seven members are from the private sector.

Criticism against Escom has mounted recently following several steeo increases in electricity tariffs. The corporation raised its charges on three separate occasions last year with increases of as much as 36 per cent in some areas.

The Government forced it to reduce the third increase from 16.3 per cent to 14.5 per cent. Following the rollback, Escom indicated that it may have to postpone its current expansion programme by a year.

Escom finances only about one-third of its operations from internal sources, with the rest coming from domestic and foreign loans. It has raised over R2bn ($1.8bn) abroad in the past three years, with most of the funds earmarked for six new coal-fired power stations presently under construction.

Mr Piet du Plessis, the Minister of Mineral and Energy Affairs, said the inquiry was necessary as a result of the rapid expansion of South Africa's electricity network and competing demands for capital from the public and private sector.

The probe has been welcomed by business groups. The Association of Chambers of Commerce said it might pave the way for similar investigations into other parastatals which control large sectors of the South African economy, such as rail and air transport, telecommunications and broadcasting.

Court ratifies Harvester Australia plan

By Michael Thompson-Noel in Sydney

THE IMMEDIATE future of the troubled International Harvester Australia group seemed assured yesterday when the Victoria Supreme Court ratified rescue plans drawn up by the group's receivers and managers.

The group, which went into receivership late last year owing its creditors about A$400m (US$348m) is a subsidiary of International Harvester of the U.S.

Losses of the manufacturing arm, International Harvester Australia (IHA), and of the finance arm, International Harvester Credit Corporation of Australia (IHCCA), in the year to last October, were A$195m, including extraordinary losses of A$102m.

Mr Paul Johnson, IHA's chairman and managing director, said yesterday that the manufacturing company was now trading profitably despite the low demand for agricultural equipment in drought-ravaged areas.

A survival package for the group was approved by creditors early last week. The hope now is that it will be able to trade its way out of its problems.

A winding-up order lodged last December will be dismissed today after court-approved schemes of arrangement are lodged with the Victorian Corporate Affairs Commission.

The manufacturing company's trading loss in the year to last October was A$38.4m with a total loss, after extraordinary items, of A$140m. Losses at IHCCA were A$55.5m after provisions were made for future losses of A$47.4m.

TECHNOLOGY

EDITED BY ALAN CANE

COMMERCIAL SYSTEM FOR BRITISH ROBOTICS

Viking sails into vision system

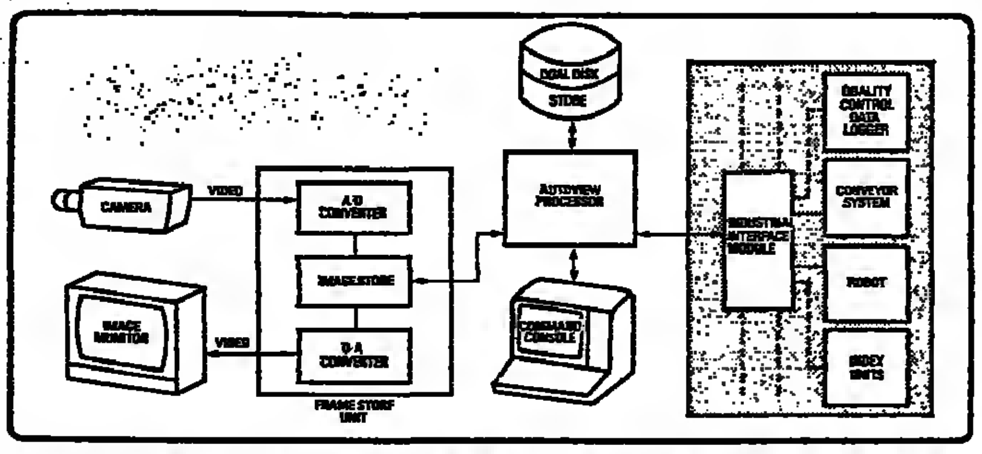
BY GEOFFREY CHARLISH

BRITISH ROBOTIC Systems, the 15-man London high-technology company totally owned by British Technology Group, now has a commercial version of the artificial vision system it has been developing since BTG took the company over from SPL and Remek about two years ago.

The company has deployed the £405,000 input from BTG to bring to the product stage some work originally carried out by a team under Professor Bruce Batchelor of UWIST.

Called Viking, the system has a starting price of about £24,500 and it can carry out analyses on almost any image likely to be encountered in industry and take action accordingly. Consisting of camera, monitor, frame memory, a DEC LSI 11/23 processor and VDU, it is intended as a development workstation for companies contemplating the use of vision systems in production.

The development is important in that if tomorrow's automation systems, ranging from robots to automatic inspection machines are to develop more flexibility and versatility, they will have to he able to see what they are doing.



In the British Robotic Systems vision system, captured TV video frames are electronically analysed and the shape/positional data obtained is used to signal conveyors, robots and positioning devices to automate production processes

Technique

Viking uses a monochrome closed circuit television camera from which, at the appropriate moment, a single frame is "grabbed" by rapidly examining the frame on an element by element (pixel) basis, digitising each pixel and holding all the data in a solid-state frame store.

The power of this technique lies in the fact that once the image has been thus captured, it can be processed to reveal structural faults, dimensional errors and other features automatically.

For example, using the 256 grey scale levels into which the picture elements can be sorted electronically, surface brilliance thresholds can be set up so that a crack in say, a casting, difficult to see with the naked eye, could be quickly detected in suitable lighting and a rejection mechanism actuated on a production line.

In practice, a robot associated with Viking could be fed with real time signals that would guide it to pick up an item, recognise it, check it for quality and then place it in the correct orientation to be dealt with by the next production process.

There are now a remarkable number of things that Viking can do, although in many industrial applications only a handful might be required. Apart from thresholding, it can measure gradients, match one image with another, determine radius of curvature, add, subtract or multiply two images, display just the outline of an image—there are over 100 commands the machine will obey. It can even read part numbers stamped on components.

BRSL says that STC, Westland Helicopters and Unilever have bought Viking but the applications are not disclosed for commercial security reasons. To date the best known application is in 600 Group's SCAMP flexible manufacturing system at Colchester where BRSL systems are used to identify and orient unmachined parts for automatic loading of the machine tools.

Managing director Brian Atkinson accepts that credibility and cost effectiveness are still barriers to the use of such developments. So his company is offering complete support from concept to maintenance and training. "Customers" he says, "can always come and have working demonstrations."

Vision

According to a recent report from Technical Insights in New Jersey, machine vision applications are growing "at breakneck speed." Before the decade is out it says, as many as 90 per cent of all industrial automated inspection lines and 25 per cent of all robots will employ some sort of vision system.

There is no shortage of academic interest in the UK, with industrial programmes at some 17 universities and colleges and half a dozen Polytechnics. A development at Portsmouth Polytechnic for example, called Cyclops, is said to allow simple vision to be added to any of the lower cost robots using popular personal computers such as Apple and ZX81. The added cost is only £50. (Dr John Billingsley, 0705 812466).

Colne Robotics (01-892 8197) also recently came up with a low cost system called Colvis at £395, pointing out that "previous vision systems have been in the £20,000 to £40,000 price range."

It consists of a solid state camera connected to a microcomputer which is able to extract and learn information from the image produced—such as area, perimeter and centre of gravity of the image. Based on these it can recognise an object and deduce its position and orientation claims the company. It is aimed at the educational market.

Dimensional

A Cambridge-based company called Digithurst (0223 208926) has a system at about £2,000 and some months ago Cambridge Instruments (0225 810661) demonstrated its own image analyser Quantimet 900 working in conjunction with a commercial robot. The combination was able to show the selection of small objects with very small dimensional differences that could hardly be detected by the human eye.

There are no doubt other systems available and under development. The extent to which they will be used is another matter, however.

As Technical Insights points out, "For all its promise, machine vision remains a not fully-understood 'sunrise' technology in the minds of most industrial managers."

We all await high noon.

TELEPHONE SYSTEMS

Kodak ready to move in on British Telecom

BY ELAINE WILLIAMS

KODAK says that it will be the first company to take advantage of the Government's relaxation of the British Telecom monopoly. It is to install one of the most advanced telephone systems making use of totally digital techniques. Kodak hopes that this system will help it run its photographic business more efficiently.

Britain is now just a few months away from liberalisation of the telecommunications business. Then it will become legal for companies other than British Telecom to maintain a telephone system which can connect directly to the public network.

Now manufacturers are poised to enter the UK markets particularly in the field of private automatic branching exchanges which link internal telephones with the outside world.

Many telecommunications equipment makers believe that Britain is now moving into the next generation of private automatic branching exchanges based on totally digital technology.

For the prospective customer it is not simply a matter of buying a telephone exchange to handle all business calls it is now finding a system which can cope with all written messages such as telex and facsimile, computer data and link into office automation systems with a network of word processors.

Many companies are now contemplating their future needs and the ability of the equipment makers to provide the right systems. This interest was reflected recently at a one-day seminar on PABX run by Oyez in London. More than 200 executives from many of the UK's biggest organisations attended.

Apart from the difficulty in choosing from the existing range of PABX systems, the liberalisation of the telecommunications systems creates its own problems as companies are still unsure of the opportunities which will open up and how it will affect future system design.

Major PABX manufacturers are now pushing the concept of third generation electronic PABX designs, although many of the new systems do not have all the features available today if a company wanted to buy one.

So what is the so-called third generation PABX? It is basically an exchange based on computer technology which can integrate traditional telephony with data processing, word processing and computer connections, provide management with a tool for controlling and monitoring communications in the most effective way, and be capable of dealing with any new types of communication which come along.

Companies which are seeking technical approval for their large PABX systems include Thorn-Ericsson, Mitel, the fast growing Canadian manufacturer, Datapoint in the U.S., Harris and IBM.

Plessey has already received approval and its first exchange, the IDX, based on completely digital techniques will be installed by Telephone Rentals for Kodak's UK headquarters. This total system comprising 12 exchanges will provide completely digital connection between 13 of Kodak's major sites in the UK.

Kodak says that the benefits of a new system will be considerable as 250,000 internal calls are made each week with thousands of calls on the outside line.

In addition, about 60 per cent of Kodak's orders in the UK are now placed over the telephone. The increased likelihood of calls getting through, lower maintenance costs, and computer data transmission to speed processing of customers' orders are just some benefits that the company has mentioned.

When Mr Roy Milner, Kodak chairman and managing director, announced the contract in February, he commented: "It is increasingly vital these days to be abreast of such technological changes where benefits to employees and, above all, our customers are paramount."

Work on Kodak's new exchange is to begin this year. It will make use of the latest telephone switching techniques employing British Telecom's new high-speed Megastream II circuits to provide digital voice and data links.

With Megastream II up to 30 conversations can be carried on one circuit in digital form so dramatically increasing the capacity of the system. Voice communications have to be translated back into analogue form but computer data remains in its digital form throughout the exchange. In conventional systems it is the digital data which must be converted to voice frequency levels.

In wholly digital exchanges then the speed at which information can be transmitted is faster than the older types. Kodak says that its system will transmit data at a speed of 64,000 bits persecond.

Plans to replace its 14-year-old exchange began three years ago. The new system involves providing 5,000 telephone extensions over a two-year period.

Atom smashing

U.S. giant magnet

A MAGNET, about 10 ft long, weighing 6,000 lbs, with a peak magnetic strength of 5 Tesla (this is about 150,000 times stronger than the Earth's magnetic field) has been built by the U.S. Department of Energy at the Argonne National Laboratory near Chicago.

The magnet is designed to be used to focus beams in the next generation of super-high-energy atom smashers. The Argonne magnet will be used to guide sub-atomic particles on beams at the Tevatron, an accelerator being built at the Fermi National Accelerator Laboratory near Argonne.

The machine will produce beams with collision energies of 1 trillion electron-volts—the highest yet devised in the world.

The design and construction of the magnet was funded by the U.S. Department of Energy's Office of Basic Energy Sciences.

Argonne has produced a quadropole focussing magnet with a cold bore diameter of 13cm; a bore length of 2.8m. The design magnetic field is 50 Tesla, with 58 Tesla/m maximum magnetic field gradient achieved in tests; with Argonne saying that the magnet, when exposed to a secondary beam from a target struck by 400 GeV protons, a secondary beam intensity of 6 x 10 to the power of 11 particles per pulse was required to quench the magnet.

How the bees buzz in Israel

Plastic insulation

ISRAELI BEES are about to get new plastic insulated hives, designed for hot or cold countries. The design comes from a Jerusalem company which, in conjunction with the Hebrew University in Rehovot, has spent five years researching the habits of the honey gatherers of the Middle East.

Rotoplas of Jerusalem has decided to go into full production and is sending consignments of the plastic hives to South Africa, Holland, Australia, the UK, the U.S. and Japan.

Rotoplas has patented its plastic beehives worldwide. The insulation to keep the bees happy consists of an outer layer of cross linked polyethylene with a similar inner layer. Rotoplas says that the quality of the honey is not affected by the plastic.

But the sting in the tail is that within a plastic hive the bees have to beat their wings less frequently to keep the temperature down in hot countries. Therefore, they use less energy and consume less honey.

Better still it was found that the Queen Bee indulged in sexual activity two weeks earlier than normal, thus increasing the Israeli bee population.

Robotics

Castings cleaner

THE Industrial Robot Division of ASEA in Vasteras, Sweden has developed a complete automated installation for cleaning castings. The company believes that this is the first of its kind which has such as degree of automation.

The first installation is at Volvo Komponenter's factory at Arvika in Sweden. The system is built around an ASEA IRB 60 industrial robot and cost about £175,000.

The robot carries out a job which is the most tiring and uncomfortable for human workers. It operates non-stop and is screened from the human operator to reduce the risk of injury. The robot uses different tools for the cleaning operation and has speeded up the cleaning operation by 30 per cent.

Cooling

Improver Aquasaver

AN IMPROVED version of the Aquasaver compact water cooling system has been introduced by Pullen Pumps, Croydon. The unit is mainly intended for cooling the seal housing of high temperature pumps, but has applications in thermoplastic moulding machinery, hydraulic equipment, X-ray, radar and electronic systems, oil and chemical processing, welding, diesel engines and air compressors. More information can be obtained on 01-684 9521.

Welding

A DEVICE to help welders speed up fitting when dealing with sheet metal has been announced by Huntingdon Fusion Techniques of 7 Clifton Road, Huntingdon, Cambs. (0480 58675). Basically the device is a one size clamp which can be used for tack welding flat plate or sleeves of varying wall thicknesses. The company says that the clamp offers a tested 1,000 lbs clamping force.

UK COMPANY NEWS

BP net income down £306m for year

NET income for 1982 of Britain's largest company, **British Petroleum**, fell from £1.02bn to £712m. At the operating level profits were down slightly to £3bn, against £3.09bn.

Oil and gas production activities and Sohio, the group's U.S. affiliate, maintained their strong contributions to profits throughout the year. Crude oil prices were lower than in 1981, and consequently taxes on production also fell.

Nevertheless, the depressed world economy continued to constrain general business activity, and the results of the group's oil trading, chemicals, minerals, and coal operations were all affected.

The dividend is again being maintained at 20.25p net per 25p share with a final of 14p, which will absorb £370m (£363m) and leave a retained balance of £342m (£655m). Earnings per share are shown at 39.4p (63.9p) after a higher tax charge of £1.1bn (£811m).

An analysis of operating profits shows: exploration and production £960m (£888m); oil trading £57m (£186m), chemicals £187m loss (£194m loss); minerals £32m loss (£28m loss); coal £11m profit (£15m); other businesses and corporate £38m (£72m) making total BP group of £847m (£939m). Sohio contribution was £2.15bn (£2.15bn).

An analysis by geographical area shows: UK £361m (£443m); rest of Europe £27m loss (£54m loss); Middle East and Africa £149m profit (£236m); North and South America (including Sohio) £2.45bn (£2.39bn); Australasia and Far East £62m (£71m).

Profits from the group's oil and gas activities were again the major contributors; group's share of production from the UK Continental Shelf averaged 468,000 barrels per day, compared with 511,000 in 1981.

Net profits royalty interest received from Sohio in respect of production from the Prudhoe Bay Field in Alaska amounted to £52m (£80m). Because of an agreed redetermination of interests, Sohio's net share of production of this field was reduced on October 1 last to below the level at which net profits royalty interest is payable. This situation will continue for two years.

Capital expenditure in this sector totalled £1.3bn, a rise of £264m on 1981. Expenditure on exploration accounted for £457m.

Sales of oil products averaged 1.78m barrels per day, some 3 per cent down on 1981 levels. Higher sales in some non-European markets counteracted the decline in Europe, where the weakness in total demand and the withdrawal by BP from some unprofitable business led to a 5 per cent reduction in sales volume compared with last year.

The group's chemical interests continued to trade at a substantial loss. Massive overcapacity throughout the industry resulted in price competition so severe that fixed costs could not be recovered, and so the expected recovery to chemicals' performance was delayed.

Improvements in the operating efficiency of the minerals sector were outweighed by the lower prices. Evaluation of prospects for development continued, particularly at the Olympic Dam copper, uranium and gold deposit in South Australia.

The group's share of Sohio's profit was down slightly at £562m (£591m) and this company's share of Alaska crude oil production, inclusive of royalty oil, averaged 773,000 barrels per day.

Sohio's refining and marketing operations showed improved profits, but the non-petroleum businesses — minerals, coals, chemicals, and industrial products—each showed losses. Steps to cut costs and improve efficiency were taken during the year in these businesses.

Before extraordinary items profits, which on an historical basis were £716m (£1.07bn), were reduced to £627m (£516m) on a replacement cost basis and £206m (£305m) current cost.

See Lex

Wm. Collins cash call to back purchase

BY TERRY GARRETT

BRITAIN'S largest independent publishing group, **William Collins**, is spending £7.9m in cash to buy the publishing division of Granada Group. To help finance the deal Collins is raising £6.5m by way of a rights issue.

News International which controls 41.5 per cent of Collins voting shares following an abortive takeover attempt in 1981 is taking up its rights entitlement. The balance has been underwritten.

The Granada deal and cash call were announced with Collins' full year figures for 1982, showing a rise in pre-tax profits from a restated £4.03m to £4.7m. The total dividend is raised 1p to 8.5p with a final payout of 5.5p.

Granada says that it had no plans to sell its publishing business until Collins approached it some months ago. The decision to part with Granada Publishing was influenced by the fact that it was peripheral to the group's main operations and accounted for less than 2 per cent of total profits.

Net assets of the business Collins is buying amounts to £4m after deducting £2.8m of loans Granada has outstanding. Granada is also retaining cash of £800,000 or so. Profits in the year to September 30 1982 were a shade down on the previous 12 months at £780,000.

Collins will not take over the £2¼m warehouse and office buildings at St. Albans which will be sold or let by Granada when the publishing operation moves out.

The editorial, marketing and specialist production staff of Granada—about 120 in all—will be offered jobs with Collins. There will however be about 100 redundancies amongst Granada's warehouse and office staff. Cost of redundancies will be split equally between Collins and Granada Group.

Collins rights issue is pitched on a one-for-four basis. Shareholders will be offered 1.03m ordinary shares at 220p each and 2.4m A non-voting shares at 175p each.

Pre-tax profits for 1982 have been struck after a barely changed interest charge of £1.3m against £1.22m and redundancy payments of £876,000 (£514,000) but including associate profits of £351,000 (£170,000). Tax takes £1.1m against £1.48m. Extraordinary debits are up from £151,000 to £445,000; being revenue costs associated with the move to new premises and reorganisation costs. Earnings per share are 26.1p (18.4p).

Granada also announced yesterday that it had sold to Chatto, Bodley Head and Jonathan Cape, its investment in that company amounting to 19.48 per cent. The position of Triad Paperbacks in which Granada holds a 47½ per cent stake with Chatto holding the balance remains unaltered.

● comment

The paradox at **William Collins** is that if it had not been for the bitter takeover battle of 1981 which left News International sitting on a substantial slice of the equity, the company would probably not be able to achieve what it is doing today. A family controlled share structure has been replaced by a shareholder willing and able to inject cash. And the acquisition of Granada's publishing arm seems an ideal fit. Collins will be able to fill up its paperback production lines and its Glasgow warehouse. There should also be a fair amount of extra growth overseas from putting the two companies together. For its own part Collins has completed its long-running reduction in its workforce and established a sound financial base. Despite a tough trading background Collins was expected to keep its profits lining moving ahead even before yesterday's Granada link. The only real question mark is the involvement of Mr Murdoch. He is adopting a very supportive role yet it looks out of character to sit with the size of shareholding he has at present.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo Nordic†	1.12¶	May 3	Nil	2.87	Nil
Arncliffe Hldgs	1.54	May 10	1.54	2.66	2.66
Attwoods ...int	1	—	—	—	2
BCA ...int	2	July 29	1.75	—§	4.25
Bejam Group ...int	1.5	April 28	1.25	—	2.75
BP	14	May 19	14	20.25	20.25
Cattle's	1	—	0.8	1.6	1
Wm Collins	5.5	May 20	4.5	8.5	7.5
East Lancs Paper	1.84	April 29	1.84	3.5	3.5
Guest Keen	4	May 9	4	8	8
Hall Engineering	4.2	April 29	4.2	7.61	7.61
Horizon Travel	2.8	—	2.43*	3.6	3*
House of Lerose	4.6	June 13	4.6	7.6	6.6
HTV Group ...int	4	May 5	4	—	11

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Liverpool Daily Post	6.5	April 29	6.5	10.2	10.2
R. P. Martin ...int	3.65	April 30	3.65	—	10.95
Montfort (Knitting Ms)	Nil	—	Nil	Nil	1
A. and J. Mucklow ...int	2.1	July 1	2	—	4.25
Pittard	2.63	—	2.63	4	4
Rentokil	2.05	—	1.8	3.25	2.85
Thos. Robinson	Nil	—	2	Nil	2.5
Sale Tilney	5	June 1	4.25	8.75	8
Wm. Sinclair‡ ...int	1.5	April 5	1.5	—	—
Steetley	3	April 29	6.5	7	10.5
F. W. Thorpe ...int	1.15	May 12	1.06	—	2.7
TI Group	5	—	5	7.5	7.5
Utd Biscuits	3.55	July 1	3	5.8	5.25
Wolstenholme Rink	3.75	April 29	3.75	6.25	6.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Final of not less than 3p forecast. ¶ For 17 months, comparative for previous 12 months.

BCA in £6.9m rights —profits jump 42%

A 42 per cent boost in pre-tax profits, a £6.85m rights issue and a further acquisition in the U.S. are announced by the British Car Auction Group.

For the six months ended January 31, 1983, the taxable figures jumped from £1.52m to £2.16m and directors forecast that, including the expected contribution from the latest U.S. auction acquisition, profits for the whole year will be not less than £5.25m. This compares with £3.71m for 1981-82.

Directors are lifting the interim dividend to 2p (1.75p) net per 10p share and forecast a final of not less than 3p (2.5p).

The group is offering by way of rights 4,663,466 ordinary shares each at 155p, payable in full on acceptance, on the basis of one-for-five.

In the light of the U.S. expansion directors believe that the group should broaden its equity base. The funds raised—a net £6.85m after expenses—will be used to repay certain short term borrowings incurred in connection with the acquisitions, to finance capital expenditure at certain UK auctions and to provide additional resources for activities both in the UK and the U.S.

A conditional agreement has been signed for the acquisition of the freehold property, fixed assets and goodwill of Dallas Auto Auction Inc., of Dallas, Texas, for some $6m (£4m approximately).

With this acquisition the group will have acquired six auctions in the U.S. with a total purchase price of $27m. The directors anticipate that earnings of the U.S. auctions will pay all the interest each year and provide a considerable amount of cash from retained profits to be used for meeting the deferred consideration and capital repayments.

"Our plans in America are definitely long term and the true profitability of the U.S. auctions will not be reflected in our accounts until 1983-84."

Gross proceeds from auctions, for the six months, amounted to £252.58m (£118.38m), commissions earned were £9.3m (£4.76m), and other sales totalled £2.54m (£5.05m).

After tax, £1.12m (£800,000), an extraordinary debit £65,000 (£73,000) and minority interests last time, £18,000, the attributable balance came through ahead from £633,000 to £972,000.

Results of associate company Attwoods, sand and gravel producer, waste disposal contractor and motor dealer, show a jump in turnover and pre-tax profits to £4.25m (£1.74m) and £330,000 (£23,000) respectively, for the six months... The directors say the year "continues to run well for the company and the final results should reflect this."

Compared with a single final last year of 2p, directors are introducing an interim dividend of 1p for the period.

The directors have disposed of two minor subsidiaries that did not fit into the company's overall pattern; one incurred a loss of £30,000 which was taken into account in the half year figures.

They are currently considering the possible acquisition of two privately-owned businesses in the gravel extraction and waste disposal field.

After tax, £170,000 (£8,000) and an extraordinary debit of £20,000 (£106,000) the attributable balance was £140,000, compared with a £91,000 loss.

● comment

British Car Auction's £6.848m rights issue is principally aimed at putting extra financial muscle behind the group's operations in the U.S., where it is the second biggest car auctioneer and is making its sixth acquisition. The company says the U.S. market is in its infancy and contains a wealth of untapped opportunities with GM alone expected to sell 35,000 of its employees' cars in the year ahead. Following these moves and the 41.7 per cent increase in interim pre-tax profits the group is forecasting a pre-tax increase to £5.25m by year end. A surge in profits at the Attwoods associate is almost entirely due to contributions from Drinkwater, which may join its partner on the acquisition trail this year. After the rights issue, BCA's shares are on a prospective p/e of more than 18 at 193p, reflecting a growth potential in the U.S. which has yet to be completely quantified.

Hugh Mackay

The 4p a share dividend from Hugh Mackay is covered by earnings per share of 4.28p and is not uncovered as stated in yesterday's comment.

TI Group progresses and expects further advance

PROFITS BEFORE tax of the TI Group, which has interests in domestic appliances, cycles and toys, specialised engineering and steel tube, are shown to have recovered to £4.7m for 1982 from a loss of £0.9m the previous year.

In a statement following the release of the figures Sir Brian Kellett, the chairman, said he was expecting a "good increase" in profits this year.

External sales moved ahead from £842.7m to £887.2m and at the trading level there was a surplus of £25.5m, compared with £21.6m including a profit of £9.4m on the sale of Bridgewater House, the group's former London headquarters.

It is pointed out that in order to give the clearest possible picture of the group's continuing businesses the results of British Aluminium have been excluded entirely both for 1982 to the date of sale and for the comparative figures.

British Aluminium was dealt with below the line as an extraordinary item, which consisted of redundancy, reorganisation and closure costs of £18.9m (£21.1m), a loss on the disposal of BA amounting to £36.3m (nil) and a BA loss attributable to the group of £1.4m.

After taking account of the extraordinary debits the group finished 1982 with a deficit of £60m, compared with £37.9m in 1981.

Excluding British Aluminium group profits before extraordinary items emerged at £0.4m, against previous losses of £5.7m. However, taking in the group's proportion of BA losses of £3.8m (£13.7m) the figure came through as a loss of £3.4m (£19.4m). Loss per share was 5.7p (32.7p).

Nonetheless, in the light of the progress made towards recovery, the dividend for the year is held at 7.5p per £1 share by a same-again final of 5p.

The directors say that over the year as a whole UK economic activity in total rose only slightly and in certain sectors which are important to TI fell significantly in the second six months. The recent recession in manufacturing industry in North America also had an adverse effect.

The improving trend now becoming apparent did not begin early enough to affect the 1982 results except in domestic appliances. The benefits from a lower exchange rate were also not effective in 1982.

Several sectors of group produced "excellent" results, particularly domestic appliances and a number of specialised engineering businesses. The disposal of British Aluminium and progressive improvements in cycles gave further strength to the recovery in profits although this was offset by a setback in steel tube.

Sir Brian pointed out that the group had a quite different mix of activities now without British Aluminium. Domestic appliances and cycles accounted for some 40 per cent and specialised engineering for 35 per cent. The remaining 25 per cent is in steel tubes.

Sir Brian commented that it is the changed pattern which "sustains the view that the profit recovery will gather momentum."

He added that there were no present plans to raise equity capital. "We do not need to. We will not do it until we see a need," he said.

See Lex

Headway made by Utd. Biscuits

A SATISFACTORY increase of 12 per cent has been shown by **United Biscuits (Holdings)** in pre-tax profits for 1982, and the directors expect an increase in 1983 although there has been a slow start to the year, particularly in UK. A rise in the final dividend has been recommended.

Pre-tax profits rose from £60.9m to £68.4m on turnover ahead from £1.03bn to £1.21bn.

After earnings per 25p share were given as 14.8p against 14.1p, the net final dividend is being lifted from 3p to 3.55p which gives a higher total of 5.8p (5.25p)—an increase was predicted in the interim report.

On both sides of the Atlantic, says Sir Hector Laing, chairman, trade has been affected by the recession and competition has been intense. Against this background the profits increase is seen as very satisfactory.

An analysis of group turnover and trading profit (£85.1m against £72.8m) by company shows: UB (Biscuits) £310.8m (£268.2m) and £31.1m (£27.1m); UB (Foods) £202.5m (£175.7m) and £17.6m (£15.1m); UB Frozen Foods £75.4m (£67.2m) and £0.6m (loss £0.1m); D. S. Crawford £54m (£48.5m) and £0.5m (£0.3m); UB Restaurants £25.4m (£23.2m) and 1.5m (£1.9m); UB International £11.3m (£16.3m) and £0.5m (£0.9m); Wimpy £26.3m (£24.5m) and £1.4m (£0.7m); UB Distribution Services £1.2m (£0.8m) and £1.7m (£1.1m); Cochranes Vehicle Holdings £5.1m (nil) and £0.2m (nil). Turnover last year of Cake—discontinued — amounted to £6m.

Also included respectively were North American interests of £462.6m (£372.5m) and £35.6m (£28.7m) and from the rest of the world £30.6m (£25.2m) and £0.9m (£1.2m), less unallocated costs of £6.5m (£4m).

UB Biscuits is the market leader in the UK biscuit market and includes the brand names of McVitie's and Crawfords. Through Terry's of York it also has an interest in the confectionery market.

The two main factors affecting this company's results were the continued growth of its own-label products in a static market and the acquisition of Terry's whose trading profit of £3.7m showed an increase of 48 per cent on the year prior to acquisition.

UB Frozen Foods continued its steady improvement to profitability after restructuring was completed.

Group pre-tax profits were struck after interest charges from £11.9m to £16.7m. Tax amounted to £22m (£17.2m). After minorities, and extraordinary debits of £2.8m (credits £7.4m, including an exchange gain of £7.6m) attributable profits emerged lower at £43.4m against £51m. Dividends absorbed £18.2m (£16.3m).

On a CCA basis pre-tax profits were reduced to £56m (£50.4m).

● comment

About half the 12.3 per cent rise in United Biscuits' pre-tax profits was due to currency translation effects on weaker sterling and a £1.2m post-interest contribution from the newly-acquired Terry's confectionery business. Without Terry's, indeed, the biscuit division, accounting for more than half of trading profits, would hardly have shown a gain at all: prices rose by less than the inflation rate, and margins were maintained on a 1 per cent volume increase by dint of productivity improvement. This sales momentum was only achieved, however, by moving more heavily into own brand products, and part of UB's present strategy is to reverse the trend with new branded product launches. So capital expenditure, running at £59m last year, is expected to move up a little, leading to a further cash outflow of around £10m after last year's £30m. Even so, capital gearing at around 32 per cent does not look a problem at present, unless UB spots a likely takeover candidate. With profits of around £78m possible this year, the shares are on a prospective multiple of almost 12 at 145p, about mid-range for the sector.

Steetley profits drop £7.9m

PROFITS, BEFORE tax, of Steetley, minerals, construction materials, chemicals group, dropped from £17.27m to £9.35m in 1982, the reduction being almost wholly attributable to the downturn in North America and Australia.

Although it is expected that 1983 will show an improvement, the directors say it is too early to predict the strength of the recovery or the timing of a return to more normal conditions.

The final dividend is cut from 6.5p net to 3p leaving the total distribution at 7p, against 10.5p last time.

External rates for the 12 months amounted to £420.17m (£402.41m) and with pre-tax and interest profits, of £18.94m (£26.43m), were geographically split as to: UK, including exports £226.11m (£203.7m) and £13.48m (£13.61m); North America £103.79m (£102.48m) and £746,000 (£6.46m); Australia £49.3m (£59.49m) and £2.75m (£4.11m); Western Europe £38.37m (£34.68m) and £1.73m (£1.9m); Middle East £2.59m (£2.06m) and £232,000 (£351,000).

Pre-tax figure was after depreciation of £13.16m (£12.46m) and interest payable of £9.58m (£9.16m). After tax of £4.57m, compared with £7.91m, earnings are shown as £4.78m (£9.36m) or 7.41p (15.51p) per 25p share.

After minority interests, preference payments and an extraordinary debit of £6.81m (£6.27m) the attributable figure was a £2.28m loss, against a £2.82 profit. Dividends took £4.28m (£6.4m) resulting in a transfer from reserves of £6.56m (£3.58m).

● comment

Steetley's dismal year-end profit performance has disappointed the market which, on outside analysts' projections, was expecting pre-tax profits of £13m. And dealers registered their displeasure at the surprise dividend cut by marking the share down 30p to 155p. At that level the shares yield an uncovered 6.5 per cent. North American activities went into an accelerated second-half decline taking steel industry-linked operations in both the U.S. and Canada into the red. Trading profits in the UK were flat, despite an unquantified full year's contribution from Downing and a generally strong performance from the brick and tile-making businesses. The wisdom of the company's decision to move away from lacklustre activities such as chemicals is amply reflected in the increased contribution from construction to roughly 56 per cent (30 per cent in 1981) of overall operating profit. With high operational gearing, Steetley has considerable scope for a longer-term profit recovery following any upturn in its main line businesses. Meanwhile analysts are revising 1983 forecasts downwards.

Perstorp placing tussle

A last minute tussle over the placing planned by **Perstorp AB**, the Swedish speciality chemicals, plastics and laminates group has arisen. The Swedish merchant bank Carnegie Montagu, is offering to place the shares involved at K700 against the planned price of K540.

The group is 75 per cent controlled by the Swedish Wendt family, but the bank is to ask the shareholders' meeting on Saturday to consider its offer instead.

Directors at Enskilda Securities, underwriters for the planned placing, and sponsors Kleinwort Benson, yesterday expressed amazement at the counter move. The price was fixed last week ahead of the current speculation in a very tight market, they pointed out.

Mr Krister Wallin, chief executive at Carnegie Montagu, the principal shareholders of which are Samuel Montagu and the Swedish merchant bank Carnegie, said his company had been trying to persuade the Perstorp board to allow his bank to handle a placing since late last year.

The planned placing involves 200,000 free "B" shares, and would raise £9.3m at the announced price, compared with £12.5m at the alternative price.

Yesterday the shares were trading at K640 against a previous high of K570.

	Half year to 31st December 1982 £	1981 £
Turnover	2,891,150	2,242,496
Trading profit	322,855	233,894
Interest received	43,146	62,448
Profit before taxation	366,001	296,342
Taxation	190,321	154,098
Profit after taxation	175,680	142,244
Interim Dividend at the rate of 1.15p per share (1981—1.05p)	35,314	32,243
Retained profit	140,366	110,001
Earnings per share	5.72p	4.6p
Payment date	12 May 1983	13 May 1982

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	141	—	6.4	4.5	8.2	10.8
158	117	Ass. Brit. Ind. CULS	156	—	10.0	6.4	—	—
74	57	Airsprung Group	64	—	6.1	9.5	7.3	12.5
46	34	Armitage & Rhodes	34	—	4.3	12.6	3.6	8.7
307	197	Bardon Hill	307	—	11.4	3.7	12.8	16.2
135	100	CCL 11pc Conv. Pref.	135	—	15.7	11.6	—	—
270	215	Cindico Group	215	—	17.6	8.2	6.7	8.8
86	52	Deborah Services	52xd	—	6.0	11.5	3.4	9.3
87½	77	Frank Horsell	87½	—	—	—	7.3	7.5
86	75½	Frank Horsell Pr Ord 87	86	—	8.7	10.1	8.6	10.2
83	61	Frederick Parker	67	—	7.1	10.6	4.2	5.7
55	35	George Blair	35	—	—	—	8.1	12.7
100	74	Ind. Precision Castings	79	—	7.3	9.2	10.1	12.7
158	100	Isis Conv. Pref.	158	—	15.7	9.9	—	—
143	94	Jackson Group	143	—	7.5	5.2	4.4	8.1
196	111	James Burrough	196	—	9.6	4.8	14.3	15.8
260	152	Robert Jenkins	152	—	20.0	13.2	1.7	24.1
83	64	Scruttons "A"	73	—	5.7	7.8	8.5	11.4
167	112	Torday & Carlisle	114	—	11.4	10.0	5.1	5.8
29	21	Unilock Holdings	26	—	0.46	1.8	—	—
85	66	Walter Alexander	66	—	2.4	3.7	4.7	6.5
264	214	W. S. Yeates	264	—	17.1	6.5	4.1	8.4

UK COMPANY NEWS

GKN rises despite second half fall

AS PREDICTED in the interim report second half profits of Guest Keen & Nettlefolds failed to match those of the first six months but for 1982 as a whole the group still finished well ahead with figures at the pre-tax level reaching £40.8m, against £34.6m the previous year.

Interim profits rose from last time's restated £6.4m to £30.5m—the group is a manufacturer, re-roller and drawer of steel.

On the outlook, the directors point out that progress towards re-establishing sound national economies has been made in the UK, the U.S. and some European countries and that the key factors of inflation and interest rates are significantly lower.

In the UK, they say other aspects of the economy are also favourable with growth in consumer spending, particularly on cars and other manufactured goods. Signs of improvement are also evident in the U.S. and certain other major European countries.

Although it is too soon to report positive beneficial effects of any general economic improvement the directors say considerable changes made within the continuing businesses and costly restructuring have relieved the group of many severe problem areas and provided the opportunity to secure improved profitability quickly when market conditions improve.

Meanwhile, the dividend for 1982 is held at 8p per £1 share by a same-again final of 4p—earnings per share came through at 0.5p (0.4p).

Group turnover, excluding inter-company sales, rose slightly from £1.86bn to £1.89bn and at the trading level there was a surplus of £102.8m, compared with £94.2m, before redundancy costs in continuing businesses of £12.4m (£11.7m).

Investment income and interest receivable added £3.7m (£3.3m) and associates contributed £2.6m (£4m). Interest charges were little changed at £55.9m (£55.2m) but depreciation rose from £55.9m to £61.9m.

Attributable profits emerged at £800,000 (£600,000) after a much higher tax charge of £34.7m (£27.5m) and minorities of £5.3m (£6.5m). However, after dividend payments, the same at £13.2m, and extraordinary debits of £52.8m (£24.9m), including redundancy costs in discontinued activities of £7.5m (£6.3m), there was a deficit of £64.9m (£37.5m) transferred to reserves.

Commenting on the results, the directors say that a further contraction of an already depressed level of demand occurred in British and North American markets in the second half of the year which principally affected UK activities.

The trading surplus from the UK was very unsatisfactory—a loss of £1m was sustained in the second six months compared with a first-half surplus of £12m.

Activities based in Europe and the U.S. showed substantial profit increases. The recession and other problems in India are blamed for a reduced surplus of £2m in Asia, against £13m in 1981. South African operations produced lower results.

Included in extraordinary items was a provision of £10m in respect of the costs of progressively running down the business of GKN Contractors and included the estimated net costs of completing, over the next three years, outstanding contracts.

Group capital expenditure in 1982 amounted to £76m, of which £35m was in the UK.

On a current cost basis pre-tax profits came through at £16m, against £7m previously.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—C. H. Beazer, Goodman Brothers, Staffordshire Potteries, Strong and Fisher, Waring and Gillow.

Finals—BL, Lyon and Lyon, George Oliver (Footwear), Sharpe and Fisher, H. Woodward.

FUTURE DATES

Interims:—	
Bridport-Gundry	Mar 23
Dowding and Mills	Apr 14
Ferry Pickering	Apr 7
Makin (J. & J.) Paper Mills	Mar 23
United Wire	May 10
Finals:—	
Bridgewater Estates	Mar 25
Britoil	Mar 25
Oulay Bitumastic	Mar 29
Equity and Law Life Assur. Soc.	Mar 22
Jersey Electricity	Apr 11
Placet	Mar 30
Reckitt and Colman	Mar 29
Squirrel Horn	Mar 24
Trans National Trust	Apr 8
Witan Investment	May 11

Bejam ahead to £6m midway

HIGHER pre-tax profits of £6.07m against £5.76m have been produced by Bejam Group for the six months to January 1 1983. The interim dividend has been lifted from 1.25p to 1.5p net and Mr J. D. Apthorp, chairman, predicts that full year profits will show a "modest increase."

Sales of this retailer of foods and freezers moved up from £114.56m to £132.27m.

Mr Apthorp says the company is about to enter a 10-week trading period which includes three holiday weekends and, on the basis of previous year's experience, is expected to be very good for food sales.

In the last full year, pre-tax profits came to £11.75m on sales of £232.57m.

During the period under review volume increases were achieved in food sales in existing selling space and together with turnover from new stores, there was an increase in total food sales of 14 per cent.

This was a lower rate of increase than that of recent accounting periods because of three main factors—a plentiful supply of fresh cheap produce, a low inflation content in company prices, and a move in household expenditure towards consumer durables.

The appliance division benefited from this move—sales of freezers, refrigerators and microwave ovens showed an increase of 45 per cent.

Ten new branches were opened—six were too late in the period to affect the interim profits. The total of stores was 192 by the end of December.

Tax amounted to £2.49m (£2.37m) which left net profits of £3.58m (£3.7m) equivalent to 3.65p (3.5p) per 10p share. Dividends absorbed £1.47m (£1.21m).

● **comment**

Six months ago analysts were looking for £14m or so pre-tax from Bejam this year. Now a figure of £12m looks more likely. The group's biggest headache has been competition from cheap fresh foods. Hence Bejam's price inflation was only 2 per cent in the first half with volume growth of 6 per cent from existing stores and a similar figure from new outlets making up the 14 per cent rise in food sales. And if anything the pressure is getting worse with food prices currently barely 1 per cent up. Meantime capital expenditure is shooting upwards and will probably hit £16m this year. Though Bejam started the period with £5½m in the bank it will end up in overdraft and a small amount of interest received during the interim will be replaced by an interest charge of about £300,000 in the closing half. A cash raising exercise cannot be ruled out though the chairman says that a rights is not being considered, perhaps there will be a sale and leaseback. The share price has already come down from a high of 173p last year to 135p. Even so a fully taxed p/e of nearly 23 is looking hard to justify.

Cattle's 56% advance to £1.25m

A 56 per cent increase from £802,000 to £1.25m in pre-tax profits is reported by Cattle's (Holdings) for 1982. Turnover of this financial services, retailing and merchandising, and insurance broking concern, rose from £64.03m to £76.43m. A one-for-four scrip is proposed.

Mr Roy Waudby, the chairman, says: "Last year in my report I outlined our programme of re-organisation and the prospect of improving return on capital employed. Gross profits up 64 per cent at £1.32m in my view, represents real progress in achieving those aims."

He says this is the first year of the employee share incentive scheme and £66,000 has been allocated to this. Pre-tax profits were struck after this.

Tax for the year was up from £211,000 to £283,000. After extraordinary debits of £48,000 (£13,000) and dividends of £460,000 (£287,000), retained profits came out at £461,000 against £291,000.

The final dividend is increased from 0.8p to 1.0p for a total up from 1.0p to 1.6p net.

Looking ahead, Mr Waudy says its re-organisation programme is almost complete, and 1983 promises to be a good year.

Horizon Travel improves by 7%

ALTHOUGH second half pre-tax profits at Horizon Travel declined from £12.68m to £12.21m, figures for the full year to November 30 1982 improved from £13.33m to £14.3m, an increase of 7.3 per cent.

Mr Bruce Tanner, chairman, says that although booking patterns for summer 1982 were affected by the Laker collapse, the Falklands crisis and the World Cup, a high level of business was resumed from late July, and a record 334,000 passengers were carried in the season. The company gained the third largest share of summer business.

Bookings for winter 1982-83 have established yet another record, he says, with 113,000 passengers carried, an increase of 11 per cent over the previous winter.

For summer 1983, confirmed passenger bookings up to March 11 totalled 218,000. This is a fall on this time last year, but is in line with the overall market. He says increasing consumer spending power and maintained strength of sterling against the currencies of southern Europe should lead to a strengthening of business to a point where there is little change from the 1982 level.

Group turnover for the year rose from £96.83m to £118.49m. The provision for tax was down from £7.06m to £4.54m. After minorities of £39,702 (£7,830), attributable profits emerged considerably higher at £9.72m (£6.26m).

The total dividend is raised from an adjusted 3p to 3.6p with a final of 2.8p (2.425p re-stated). Stated earnings per 25p share advanced from 15.95p to 23p. Dividends absorb £1.52m (£1.27m).

Orion Airways contributed £4.3m to group pre-tax profits, after finance costs, and Horizon Hotels, formed as a holding company of the group's interests in Mojacar, Almeria Province, Spain and in Menorca, contributed £370,000 to profits.

On a CCA basis, pre-tax profits were £13.27m (£13.09m).

● **comment**

The need to fund the purchase of only one aircraft, compared with three in the previous year, enabled Horizon to double its interest income to £3m in 1982. This, combined with a 10 per cent advance by Orion and a first time inclusion of hotel profits hid some of the decline in holiday operating margins from the previous year's 14 per cent, though they remain healthy. Current summer bookings are down in line with the market by 17 per cent. However, recent trends indicate that a late pick up is likely promising recovery to around last year's level. With its fleet increased by two to nine planes, unless Orion can sell its surplus capacity outside the company—some 20 per cent is sold externally at present—the lack of growth will impact on Orion's performance. This year aircraft funding and lower interest rates will depress interest income substantially below last year's contribution leaving the total pre-tax outturn very much dependent on an 8 per cent price increase and, to a lesser extent, the record winter. All told the group will be hard pressed to repeat the 1982 performance. Yesterday the market which had expected £15m pre-tax trimmed shares by 5p to 180p putting the fully taxed p/e at 11 and the historic yield at 2.9 per cent.

Rentokil up £2.9m: lifts payout

WITH A rise in turnover at Rentokil Group from £97.98m to £111.86m, taxable profits advanced by £2.91m to £17.11m in 1982.

The final dividend of this timber preservation, pest control, damp proofing, thermal insulation and industrial hygiene concern is being raised from 1.8p to 2.05p net per 10p share, making an increased total of 3.25p (2.85p). A one-for-one scrip is also proposed. Earnings per share are given higher at 8.9p (7.36p).

Tax took £8.45m (£7.13m) and there were minority debits of £167,000 (£59,000) and extraordinary credits of £629,000 (nil).

Overseas activities contributed £5.54m (£3.71m) to the pre-tax profits, which were reduced to £14.49m (£10.93m) by current cost adjustments.

At the half-year stage, when the group was already ahead with taxable profits of £8.10m (£6.63m), the directors said they expected second-half profits to show a healthy increase.

● **comment**

Rentokil's figures were in line with market expectations despite the need to make a £460,000 write-off above the line related to cutbacks in its foam insulation division. The latter had been suffering, in particular, from the adverse publicity surrounding urea formaldehyde, though not used by the company. However, there was an offsetting factor of $1m reduction in U.S. losses where a break-even position, at worst, is expected this year. Turnover figures were affected by the disposal in June of the security business. Some £1.5m was spent on small acquisitions and further purchases are likely in the current year probably aimed at strengthening the existing activities. Rentokil's progress in recession and in what remains a weak market has been its ability to increase the value of contracts and aggressively seek new ones to compensate for the cancellations. In its main activity of pest control the group stands very much alone, so much relies on its proven ability to expand the market in the current year with no help from price increases. Yesterday shares rose 4p to a peak of 240p, yielding 2 per cent and supporting the company's own confidence.

Pittard £0.3m in red at year end

DESPITE AN 11 per cent rise in sales from £18.16m to £20.39m, leather manufacturer Pittard Group slumped from pre-tax profits of £1.13m to losses of £326,184 in 1982, after falling from a surplus of £1.89m to £544,922 at the trading level.

Mr Neil Wood, chairman, says the poor results were due to the continuing low demand for leather goods internationally, which meant the group was unable to obtain proper margins.

However it strictly adhered to its policy of maintaining cash flow even at the cost of profitability as the directors believed this will prove an important factor in the future of the business.

The year's dividend is being maintained at 4p net per 25p share with a final of 2.625p. Mr Wood says that although this payment is out of reserves the directors feel that it is justified in the light of future prospects, a strong balance sheet and the fact that the dividend has remained unchanged for the last three years.

He says the recent fall in sterling will be helpful but the damage done to the group's competitiveness by the high exchange rate of the last few years will take time to repair.

Overheads were cut towards the end of 1982 by reducing clerical and service staff which will save about £300,000 in a full year.

Mr Wood says that it would appear from current levels of production and forecast future business the group should be profitable in 1983. However due to the group's experience of fluctuating raw material prices and re-scheduling of customers' delivery requirements he is not making a firm forecast at the moment.

As the year under review progressed difficulty was experienced in obtaining sufficient improvement in leather prices to fully cover the significant increase in the cost of certain raw materials.

The taxable losses were struck after interest charges of £587,423 (£481,366) and there was a tax credit of £1,816 (£108,472 charge) leaving net losses of £324,368 (£1.02m profits).

● **comment**

Pittard's strategy of increasing its market penetration at the expense of profits took a heavy toll last year. An improvement in trading conditions—if and when it comes—could result in profits taking off, but both home and export markets have softened considerably over the past two years. And margins, which have been cut to the bone, may take some time to recover. Despite encouraging signals from the U.S., previous experience of cancelled orders has clouded the outlook for the current year. The maintained dividend did little for the confidence of a market which had been expecting better from Pittard. The share was marked down 3p to 49p for an uncovered yield of 12.3 per cent.

UK COMPANY NEWS

R. P. Martin downturn at six months

A FALL of £92,000 to £3.47m in pre-tax profits is reported by R. P. Martin, foreign exchange and currency broker, for six months to December 31, 1982. The interim dividend is unchanged at 3.65p net—last year's total was 10.95p from pre-tax profits of £8.14m.

The half-year pre-tax figures include associates share of £496,000 rompared with £458,000. Turnover rose from £9.99m to £13.78m. Tax was little changed at £1.84m (£1.83m), and minorities took £304,000 (£276,000). Staled earnings per 5p share were down from 15.61p to 14.19p.

The directors say that during the period, start-up costs in new currencies and other ventures have been absorbed, together with additional costs, related to moves to new offices and the upgrading of telecommunications equipment in these offices.

They say the average rate of tax applicable to trading profits has increased, largely as e result of losses which can only be offset against future profits in the companies concerned.

There has been an "encouraging" start to the current half year, and they say that provided there is no deterioration in the international banking situation, they are ronfident of a satisfactory outcome for the year.

● comment

As anticipated R. P. Martin is benefiting from the synergism of its merger with Bierbaum in 1981. This is reflected in the 25 per cent increase in total turnover, and an even better 30 per cent rise in the UK income. The seemingly disappointing mid-year figures arise chiefly from a decision to take the heavy cost office moves worldwide and installation of new technology, in one expensive lump. On the trading front Eurodollars were the blackspot as fears over a world banking crisis caused a temporary downturn. In foreign exchange the volume growth stimulated by discounting, which favours the big brokers, offset the tighter margins and there were considerable gains from Bierbaum's traditional dominance in the spot market. There will be no repeat of the exceptional costs in the second half. Instead the major productivity gains from the sophisticated equipment should start to show through. Also there should be some initial contribution from the new ventures which include a small bond trading operation. Even though the steam may be going out of the money markets recovery to at least last year's pre-tax level of £8.1m should be possible. Yesterday shares fell 35p to 370p for o p/e around 10.3.

Datastream set for full Stock Exchange listing

BY TERRY GARRETT

A FULL Stock Exchange listing is imminent for Datastream, the computer based financial information services group. Merchant bankers Lazard Brothers and stockbrokers Cazenove are arranging for an offer for sale of ordinary shares, probably for next week.

Mr Marcus Agius, a director Lazards, said last night that the offer was likely to involve less than 25 per cent of Datastream's equity even though it is going for a full listing. The company already has a fairly wide shareholding structure.

Datastream was acquired from stockbrokers Hoare Govett in 1976 by a consortium put together by Lazards. Current shareholders are BOC with 40 per cent, Touche Remnant 14 per cent, Lazard 10 per cent, Prudential Assurance 7 per cent and eight other shareholders

Mr Agius said that "pretty well everybody would be selling some shares. Those institutions which went in in 1976 are going to scale down pro-rata."

In the five years to June 30 1982 pre-tax profits of Datastream have increased from £447,000 to £1.43m on revenues up from £3.6m to £8.3m. The offer for sale will be accompanied with a forecast for the current year showing a substantial increase in profits.

In addition to its well established on-line investment research services Datastream is currently the dominant supplier of valuation services in the UK

There is no other quoted company which is directly comparable to Datastream. However it is in the fashionable area of information technology and Mr Agius expects the offer price to be pitched "on a good earnings multiple. It will not be a dividend stock and certainly not an asset stock." The market expects Datastream to be offered on a fully taxed earnings multiple in the twenties.

Hall Engineering lower despite associates' boost

PRE-TAX profits of Hall Engineering (Holdings) emerged at £5.42m for the 12 months ended December 31 1982 compared with a restated £6.62m for 1981.

The dividend for the year is maintained at 7.61p per 50p share by a same-again final of 4.2p.

Turnover moved ahead from £90.54m to £107.57m but trading profits fell by almost £2m to £3.89m (£5.8m). Associates added £3.46m (£1.42m) but interest charges rose to £1.92m (£607,000).

Tax paid accounted for £1.85m (£1.03m), minorities £8,000 (£1,000) and extraordinary debits £3.4m, against £520,000. After preference dividend payments attributable profits for ordinary shareholders were well down at £97,000, compared with £5m.

Stated earnings per share declined from 39.08p to 25.06p.

Comparative figures for 1981 were restated following the treatment of certain companies as associates which were previously treated as unquoted investments.

● comment

Poor trading conditions in practically all its markets, reflected by a near halving of trading margins to 3.6 per cent, meant Hall's decline in pre-tax profits was in line with expectations. But a further drag was created by a build-up of steel stocks in early 1982 in anticipation of high levels of demand which never came. This, along with a major reorganisation programme, involving the loss of 300 jobs—half of which were in the key reinforced concrete division—were factors in a more than tripled interest charge. The company is maintaining its dividend because it believes the benefits of rationalising and de-stocking will show in the current year, although markets are expected to remain flat. Analysts forecast 1983 profits of at least £6.5m, aided by the strength of Hall's overseas associates and more lively coal cutter pick sales in the UK, which suffered last year from the loss of a major contract. The share price was unchanged at 148p.

Robinson Bros £134,000 in the red for year

Although second half pre-tax losses fell from £247,000 to £153,000 Robinson Brothers (Ryders Green), privately-owned organic chemicals manufacturer, finished the year to January 1 1983 £134,000 in the red, compared with profits of £233,000.

Turnover for the period moved ahead from £11.13m to £11.9m and the pre-tax figure, last time, included a £216,000 debit for obsolete plant write-off.

Tax charge amounted to £117,000, against £150,000, and the loss came through at £157,000, compared with a £399,000 profit, after an extraordinary credit of £94,000 (£316,000) comprising the profit on the sale of investments.

Opening half setback at HTV Group

Television programme contracting was the only division of HTV Group to improve its profits in the six months to January 31 1983. Its pre-tax profit rose from £2.05m to £2.22m, but fine art was down from £807,000 to £426,000, and property and leasing was lower at £309,000 compared with £350,000. There was a loss in publishing and stationery of £191,000 against profits of £33,000.

Group pre-tax profits overall were thus down from £3.48m to £2.81m, and this included investment income of £53,000 (£245,000).

Turnover improved from £30.3m to £35.4m. The Exchequer Levy was £3.11m (£3.45m).

RESULTS AND ACCOUNTS IN BRIEF

LIVERPOOL DAILY POST AND ECHO (newspaper publisher)—Pre-tax profits for 1982, £3.76m (£3.87m): turnover £63.96m (£59.41m): tax £2.09m (£1.8m). Final dividend 6.5p net (same) for unchanged total of 10.2p. Extraordinary debits £371,000 (£45,000 profit), leaving attributable profits of £1.3m (£2.11m). Stated earnings per 50p share 14.8p (16.4p). Directors say tight cost control has been maintained throughout the year in the daily and weekly newspapers on Merseyside. Fireboard packaging company in Stoke again achieved record targets. Price erosion worldwide caused a decline in profit at group's papermaking mills.

ARNCLIFFE HOLDINGS (property developer, building contractor)—Results for year ended October 31 1982: Pre-tax profits £464,000 (£496,000) from turnover of £5.58m (£4.96m). Earnings per 10p share 8.1p (8.6p) after tax £57,000 (£54,000). Dividend 2.66p (same) with final 1.54p net.

SALE TILNEY (industrial glass products, food distribution)—Final dividend of 5p (4.25p) making 8.75p (8p) for the year to November 30 1982; pre-tax profits £1.81m (£1.98m): turnover £82.1m (£65.19m): earnings per share 35.2p (34.2p): extraordinary credit £282,000 (nil). The directors expect a reasonable increase in profits for the current year.

EAST LANCASHIRE PAPER GROUP—Final dividend 1.84p, making 3.5p (same) net for year to end-December 1982. Turnover £44.88m (£43.35m). Trading profit £1.85m (£1.71m). Depreciation £799,000 (£763,000) and interest charges £521,000 (£374,000) left pre-tax profits at £532,000 (£569,000). Tax took £89,000 (£155,000), extraordinary debits £240,000 (£308,000) and minorities £16,000 (£14,000), leaving attributable surplus of £186,000 (£92,000). Earnings per 25p share 7.8p (7.3p). At midyear group was on target to achieve pre-tax profits of £1m. Directors say prospects for paper industry are "more reasonable."

WILLIAM SINCLAIR HOLDINGS (seeds, leisure, fertilisers, engineering)—Interim dividend 1.5p (same) for the six months to December 31 1982. Turnover £15.86m (£14.63m), operating loss £260,000 (£98,000). Associates profits £34,000 (£31,000). Interest charges £194,000 (£233,000). leaving pre-tax loss £420,000 (£300,000). Tax credit £32,000 (£16,000 charge). Extraordinary credit £233,000 (£37,000 debit). Stated loss 25p share 6.3p (6.8p). Directors say figures show "encouraging start" to year and that second half interest charges will be considerably reduced. Company's shares are traded on the USM.

GEORGE INGHAM AND CO (HOLDINGS) (private worsted spinner).—Pre-tax profits for 1982, £91,000 (£25,000): turnover £3.7m (£2.95m): tax £6,000 (£2,000). Dividend 0.75p (0.25p). Earnings per share 4.2p (1.2p) on a net basis, and 4.5p (1.3p) on a nil basis.

J. HEWITT AND SON (FENTON) (maker of industrial and domestic refractories).—Final dividend 1.95p making total 2.4p (1.95p) net for 1982. Turnover £4.86m (£4.49m): pre-tax profit £488,000 (£374,000): tax £146,000 (£29,000): earnings per 25p share 14.1p (14.2p). Board says sales in current year are running at higher levels than for same period last year and forward orders on hand are also so. Prospects for 1983 seem encouraging and results should be better than in 1982.

SOLUS GROUP (building products, electric lamps, neon signs)—Sales for half year to December 31, 1982 were £3.27m (£3.48m) and loss £83,000 (£95,000). No tax (same). No interim dividend (0.525p net). The group expects that its position at the year end will show an improvement on that now reported.

STRAITS STEAMSHIP CO. (a subsidiary of Ocean Transport and Trading)—Dividend 2.5 cents, making 4 cents for 1982, an increase of 2 per cent. Figures in Singapore $000s: Sales 238,572 (183,416), pre-tax profit 33,215 (26,642), including investment income 1,507 (3,177) and associates 3,975 (4,363) but after interest 10,143 (10,650). Tax 10,521 (6,133). Minorities 3,987 (2,262), extraordinary credit 2,221 (662). Earnings per stock unit 7.5 cents (7.3 cents). Pre-extraordinary items and 9.40 cents (7.6 cents) after.

HOUSE OF LEROSE (ladies knitted outerwear)—Final dividend 4.8p net making 7.5p (6.6p) for 1982. Turnover £16.86m (£14.71m). Pre-tax profit £1.87m (£1.62m), including exchange gain £80,000 (£80,000). Tax £793,000 (£695,000). Earnings per 25p share 19p (16.2p). CCA attributable balance £777,000 (£596,000).

F. W. THORPE (lighting equipment manufacturer)—Interim dividend 1.15p (1.05p) net for six months to December 31 1982. Turnover £2.89m (£2.24m). Trading profit £323,000 (£234,000). Interest received £43,000 (£62,000). Pre-tax profit £366,000 (£296,000). Tax £190,000 (£154,000). Earnings per 10p share 5.72p (4.6p). Order book is being maintained at a satisfactory level both at home and overseas.

H. J. BALDWIN—Dividend due on preference shares at end of present month will be deferred. This arises because the company has suffered very heavy redundancy payments in the current half year, and these are expected to give rise to an overall loss for the current 12 months. The preference dividend will be reviewed again in a few months.

BTR HOPKINS—This UK-controlled industrial rubber and engineering supply concern had a 33 per cent fall from A$8.3m to A$5.5m in pre-tax profits in 1982. Final dividend has been maintained at 6 cents for a total of 12.25 cents (11.5 cents). Tax was $4.3m ($6.4m); interest $2.7m ($1.9m) and depreciation $2.3m ($1.9m). Sales were 6 per cent down at $120m.

L. RYAN HOLDINGS (plant hire contractor and coal factors)—Pre-tax profit for 1982, £929,000 (£611,000), including associates £479,000 (£239,000). No dividend (same). Turnover £12.23m (£11.28m): tax credit £59,000 (21,000). Earnings per 5p share 3.05p (1.95p). Increase in pre-tax profits stem from improved UK performance of £493,000 (£372,000) and in associated company in Belgium of £504,000 (£239,000), together with losses of £68,000 incurred during commissioning period in U.S.

AIRSPRUNG GROUP (bed manufacturer)—Turnover £15.02m (£13.54m) for 1982. Trading profit £512,630 (£641,507). Interest £105,802 (£33,581), associate profit £16,202 (£13,001). Pre-tax profit £426,030 (£620,927). Tax £221,171 (£111,310). Earnings per 10p share 3.5p (7.7p) after extraordinary item. Dividend 4.3p net—shares are dealt on market formed by M. J. H. Nightingale.

THOMAS ROBINSON & SON (engineer and machine maker)—For 1982: final dividend nil (2p) making nil (2.5p): pre-tax losses £672,000 (£21,000 profits): turnover £0.53m (£9.34m): bank interest £78,000 (£46,000): associate losses £170,000 (£25,000 profits): tax credit £174,000 (£147,000): extraordinary debit £108,000 (£5,000): stated earnings per share nil (4.2p).

PEEK HOLDINGS (storage and handling of grain and animal foods)—Results for 1982: Turnover £5.2m (£3.99m): pre-tax profits £244,000 (£201,000); tax £70,000 (£68,000); earnings per share 1.85p (1.94p). Comparatives have been restated because of reclassification of bank overdrafts to net borrowings.

ANGLO NORDIC HOLDINGS (USM industrial holding company)—For 17 months to November 30 1982 (comparatives for 12 months to June 30 1981): final dividend 1.12p (nil) making 2.87p (nil): pre-tax profits £815,000 (£117,000): turnover £13.46m (nil): tax £307,000 (nil): stated earnings per share 4.8p (2.9p): CCA pre-tax profits £580,000. Chairman says application for full listing will be made to the Stock Exchange as soon as reports and accounts posted to shareholders.

WOLSTENHOLME RINK (powders, pigments and chemicals)—Results for 1982: Turnover £16.79m (£15.94m): debit £136,670 (nil) from elimination of stock profit arising from U.S. acquisition; investment income £25,780 (£36,033): pre-tax profits £737,285 (£1.31m): tax £46,510 (£438,951): earnings per share 13.7p (17.5p): dividend 5.25p (same) net with 3.75p final.

BANK RETURN

	Wednesday March 16 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,550,000	—
Public Deposits	1,912,345,647	− 44,786,087
Bankers Deposits	667,681,696	− 5,790,989
Reserve and other Accounts	2,182,036,520	+ 41,506,426
	4,776,616,863	− 9,070,591
Assets		
Government Securities	424,049,678	− 24,790,000
Advances & other Accounts	1,096,694,797	+ 11,896,370
Premises Equipment & other Secs.	2,896,958,660	+ 5,500,650
Notes	16,774,978	− 1,472,867
Coin	156,850	− 4,744
	4,756,616,863	− 9,070,591
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,026,000,000	—
In Circulation	11,009,255,022	+ 1,472,867
In Banking Department	16,744,978	− 1,472,867
Assets		
Government Debt	11,015,100	—
Other Government Securities	3,644,175,314	+ 212,529,939
Other Securities	7,369,809,586	− 212,529,939
	11,025,000,000	—

BIDS AND DEALS

Outsider for Rank in board changes

By Ray Maughan

Rank Organisation, the office equipment, property, leisure and industrial holding company, plans to appoint "a senior executive with appropriate experience from outside the group."

Addressing shareholders at the annual meeting, Mr Russell Evans, the chairman since last year, promised shareholders that "the board is taking steps to identify and appoint a new executive vice chairman."

"He will be given the specific responsibility of reassessing the company's objectives and strategy. Following that appointment, I intend to reduce gradually my own executive responsibilities as the new executive vice chairman assumes responsibility for the overall management of the group," Mr Evans added.

The board moves unveiled yesterday have followed a series of meetings with an influential group of institutional shareholders, rontrolling 25 per cent of Rank's equity, which has been seeking management changes in the wake of the 1982 profits fall and dividend cut.

Accordingly, Mr Evans announced yesterday that the mandatory retirement age for directors should be reduced from 73 to 70, with effect from the annual meeting in 1984.

Due for retirement next year will be three non-executive directors, Sir Arnold France, Sir Reay Geddes and Sir Richard Trehane.

Mr Evans also revealed that Sir John Davies, group president since he retired from the chair in 1977, "has decided that the time has come for him to relinquish the presidency and his remaining activities within the group."

Rank stressed after the meeting that there would be no question of a golden handshake for Sir John although the matter of his annual consultancy agreement with Rank was still to be discussed.

The caucus of institutional pressure on the Rank board was fronted by Mr Jim Findlay of Prudential Assurance who announced immediately after Mr Evans' statement that the major funds welcomed the changes.

He revealed, however, that talks between the institutions and Rank have been under way since February, and that major funds "had been doing some work on the group" for some months.

The funds, he said, would be invited by the board to participate in the final stages of the selection of the new executive vice chairman and another focus of "serious consideration" would be the extent to which the group's vital master agreement with Rank Xerox for office equipment manufacture and distribution might become a matter of wider knowledge and understanding.

Anderson Strathclyde in £15.5m profits forecast

THE KEY element in the first defensive statement from Anderson Strathclyde, Glasgow-based coal cutting machinery maker, against the £95m cash bid from Charter Consolidated is a £15.5m pre-tax profits forecast for the year ending this month.

The first closing date for the bid is March 24.

Anderson Strathclyde shares responded to the implied 38 per cent profit increase with a 5p rise to 201p. The Scottish group is confident that further buying interest will be stimulated today.

Anderson has also attempted to refute what it described as Charter's "derogatory, uninformed and damaging" statements, particularly about the fortunes of the sector generally and the group's progress within it.

Notably, Anderson asserts that there has been "no coal mining boom in the last two years" and the group "has been able to obtain profitable business because of its high-quality products, reliable delivery and good service and because of its unique position in the market."

The dividend is to go up by a third, with a 6p per share second interim in lieu of a final payment, to bring the total up to 8p per share.

Confident that it is "superbly placed to obtain further real and significant benefits from its investment programmes when business conditions improve," Charter stressed that the "results are, to a large extent, due to increased efficiency, following the substantial investment in new technically advanced plant and machinery, to the continuing achievement of higher productivity and the successful marketing and product development programmes."

Anderson now calculates that the exit p/e at 200p would be under 12.7 on a full tax charge or less than 8 on an actual tax rate. Charter, the Scottish group claims, had believed it was taking Anderson out on a fully taxed p/e of 17.7 when it forecast end-March year profits from Anderson of £12.7m. "This," Anderson stipulates, would produce 278p per share on the forecast profits.

There is no forecast from the recently acquired National Mine Service in the U.S. which is currently in loss. The profit forecast has been stated after interest of £275,000 on funds borrowed to make the acquisition.

While acknowledging that Anderson's forecast is "at the top end of the range," Charter yesterday reiterated its doubts as to the short term financial effects of the National Mine acquisition. Charter assumes that National Mines first-half loss will be repeated in the second six months to leave Anderson's share of pre-tax losses at £2.6m. With interest charges, at current rates, the total subtraction from Anderson's annual profit level would amount to as much as £4.4m.

Edelman closer to Canal control

BY DAVID DODWELL

U.S. arbitrageur Mr Asher Edelman moved a step closer to winning control of Canal Randolph, the U.S. property company, yesterday when a Delaware court made a significant ruling against Sir Walter Salomon and Rea Brothers, the London merchant bank.

Canal Randolph has been chaired by Sir Walter since 1959 and has been controlled by Rea Brothers, with linked shareholdings, since that time.

The Delaware court ruled that Sir Walter and the Canal Randolph board had in 1981 abolished "cumulative voting" for seats on the board without providing shareholders with essential information about the size of Rea Brothers' beneficial shareholding.

They had also not informed shareholders of an agreement made with another major shareholder to vote against "cumulative voting." The court declared the abolition invalid.

Cumulative voting is commonplace in American companies. It means that a shareholder with one share has not just one vote per official in the election of members of the board. If there are eight board members, then he has eight votes and can lodge those eight votes for one nominee if he wants.

The effect of cumulative voting is to improve considerably the chances of minority shareholders winning representation at board level.

The court ruled that cumulative voting must be introduced at Canal Randolph's next annual meeting. This makes it almost certain that Mr Edelman will win seats on the board, since he currently owns 28.7 per cent of Canal Randolph's shares.

Mr Edelman first began purchasing Canal Randolph shares in April last year. By December, with his plans to take over the company blocked by Sir Walter and inter-linked shareholdings held by Rea Brothers and a number of investment trusts close links to Rea Brothers, Mr Edelman announced plans to mount a proxy battle for control of the company.

As part of this takeover bid, Mr Edelman filed suits against Sir Walter and Rea Brothers alleging infringement of Securities Exchange Commission laws.

As a result of the court's ruling this week, Canal Randolph has been forced to postpone its annual meeting, which was scheduled for today. It has been instructed to provide shareholders with a new proxy statement, which explains the background to its abolition of cumulative voting two years ago.

In a parallel development, Mr Edelman succeeded on Wednesday in acquiring the 7.7 per cent Canal Randolph shareholding managed by Montagu Investment Management, a subsidiary of Samuel Montagu, the merchant bank.

He paid Montagu $85 a share, in a deal which cost a total of $10.3m. This latest purchase comes just a month after a $70 a share offer for the same holding was rejected.

The present market price of Canal Randolph shares, which are quoted both in London and New York, is around $80.

Yelverton stake for Jim Slater

Mr Jim Slater has joined Mr John Bentley in an investment in Yelverton Investments, the property and investment company which is quoted on the Unlisted Securities Market.

Mr Slater, who once headed the Slater Walker group, has acquired 500,000 shares in the company representing 6.3 per cent of the issued share capital.

He had a nearlier association with Yelverton when he, Mr Colin Bray and Yelverton Investments attempted to sell a property portfolio to Parkdale Holdings, the property investment and financial services group in a £600,000 deal last November.

The consideration for the portfolio would have been a 12 per cent stake in Parkdale which would have been held by Yelverton, business interests of Mr. Slater and Mr Bray.

The talks collapsed in December when differences emerged between the Yelverton consortium and Parkdale over future policy of the group.

Last week Mr Bentley emerged as a major investor at Yelverton with a 13.9 per cent stake. He is now on the Yelverton board as is Mr Bray.

Recent investments of Yelverton include stakes taken in Sir James Goldsmith's Generale Orientale and the Aitken Hume investment group.

HOLDERS DOUBLED AT ANDRE DE BRETT

Andre de Brett, the UK's largest women's and men's outsize direct mail clothiers which went public on the USM last April via a placing of 2m ordinary shares at 60p, says its stockbrokers, Margetts & Addenbrooke, East, Newton, have placed 1.5m ordinary shares with institutional and private clients at an average price of 64p

The placing, representing 18.76 per cent of the equity, follows the original placing of 25 per cent to the public in 1982. It more than doubles the number of shareholders.

The shares were held by Mr Norman Linton, who was forced to resign from the Wembley-based company four years ago due to ill-health. He will retain 490,000 ordinary or 6.12 per cent as a "long-term investment."

Mr Jack Linton, the chairman and managing director — and largest single shareholder—has taken the opportunity to increase his holding by 155,000 ordinary or 1.96 per cent to 4.16m shares, equivalent to 51.96 per cent of the company's ordinary share capital. The Linton family self-administered private pension fund has purchased 77,000 ordinary shares.

Two other Andre de Brett main board directors have purchased shares. Mr James Henderson has increased his holding to 8,500 ordinary shares and Mr Sadru H. Jaffer has acquired 7,600 ordinary.

MINING NEWS

Dome Mines first full year loss

BY GEORGE MILLING-STANLEY

THE POOR performance by Dome Petroleum last year, when the Canadian oil group lost a net C$369.3m (£200m), has had the predictably severe impact on the results of companies associated with it.

Dome Mines, the leading company in Canada's biggest gold mining group, has reported its first-ever consolidated net loss for 1982 of C$74.6m. This is equal to a net loss per share of C$1.07, and compares with net profits in 1981 of C$91.4m or C$1.31 a share.

Stripping out the C$110.4m loss arising from Dome Mines' 27 per cent holding in Dome Petroleum, and a further loss of C$1.1m from another associate, Canada Tungsten, Dome Mines would have made net profits of C$35.3m, the fourth highest in the company's history.

This is in line with the forecast at the nine-month stage from Mr Malcolm Taschereau, president of Dome Mines. He said he was optimistic about the outturn for the year, provided that the effects of Dome Petroleum's financial troubles were excluded.

He pointed out at the time that these problems have no effect on the mining group's cash flow—"It just looks terrible on our balance sheet."

The lower average bullion price prevailing for the year as a whole meant that Dome's bullion revenue declined to C$171.2m from C$180.5m, in spite of an increase in production to 367,083 oz from 329,772 oz in 1981.

The average price received dropped to C$466 against 1981's average of C$547.

The 56.9 per cent-owned Campbell Red Lake Mines operated at full capacity following the expansion of its mill and produced 217,158 oz, the largest output for a single gold mine in the country.

Net profits for the year came out at C$35.8m or 75 cents a share, compared with C$46m or 96 cents a share, reflecting the lower price and Campbell's share of Dome Petroleum's losses.

Dome's 66.2 per cent-owned Sigma Mines (Quebec) produced more gold as it was working higher-grade ores. Here again, the lower price and the share of the oil group's losses led to reduced profits.

Sigma earned C$4.8m or 60 cents a share, down from 1981's C$9.2m or C$1.15 a share.

High gold values for Pacific Copper

SOME high gold values have been obtained from 15 shallow holes drilled last month at the Gordon Lake property of the Canadian Pacific Copper Mines—Newean Minerals partnership. The prospect is 115 km north-east of Yellowknife in the North-west Territories.

The partners report that the best drill result was of 1.98 oz (61 grammes) gold per ton over a sample core length of 6.56 ft. Samples from nine other drill-holes gave gold assays ranging from 0.33 oz to 1.86 oz over core lengths running from 1.57 ft to 5.15 ft. The remaining five holes gave average values ranging from 0.01 oz to 0.21 oz.

The results indicate that the gold-bearing vein is open at depths below 100 ft, so it is to be explored further. The northern limit has not yet been determined either.

Additional staking of 1,395 acres adjoining the prospect has been completed to cover possible extensions of the gold vein as well as possible parallel zones. However a good deal more work will be needed to prove up ore reserves. Pacific Copper has an option to earn a 49 per cent interest in the property.

ROUND UP

FROM THE new Hemlo gold camp of north-west Ontario Lac Minerals reports that indicated ore reserves at its ground there have risen to 4m tons grading about 0.20 oz (6.2g) gold from the previous estimate of 3m tonnes, grading 0.18 oz. The orebody is still open to the west. "It will obviously be put into production before too long," says Mr Peter Allen, the Lac Minerals chairman.

* * *

Feasibility studies are due to be completed this year at Cominco's big and high grade Red Dog zinc-lead deposit in Alaska. Drill-indicated reserves are 85m short tons averaging 17 per cent zinc, 5 per cent lead and 2 oz silver per ton.

Mineable by open-cast methods, Red Dog is likely to produce initially 350,000 tons of zinc concentrates and 75,000 tons of lead concentrates a year. This output would be increased as soon as market conditions allow. Meanwhile, first production is not expected before 1987.

* * *

Sherritt Gordon Mines reports that ore reserves at its Agassiz gold property at Lynn Lake in Manitoba have now been increased to 2m short tons averaging 0.14 oz gold and 0.3 oz silver per ton.

These are above the 1,500 feet level and there is the potential for additional ore at depth and to the east of the main deposit. Feasibility studies and financing discussion are now under way.

* * *

Giant Yellowknife Mines has made a 1982 net profit of C$1.5m (£813,000), or 34 cents per share, after a loss of C$200,000 in 1981. By mining higher grade ore the company raised 1982 gold production to 72,587 oz from 58,678 oz in the previous year.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Paris space lets at last

AFTER STANDING virtually empty for over ten years, one of the largest office blocks in the unfashionable eastern suburbs of Paris has finally been fully let.

Behind the letting, which underlines the chronic shortage of office space in some parts of the French capital and reinforces the local market's gathering strength, lies a tale of property pioneering which came badly unstuck.

It was back in 1973, when every hot-blooded English property entrepreneur was still busy trying to win his spurs in Europe, that Richard Coopman's London and Overseas group put together a consortium to purchase Rondpoint 93, a 260,000 sq ft office building in Montreuil, just beyond the peripherique.

Coopman, who died last year, was one of the pioneers of the UK property drive into Europe, developing in France and Holland, often in joint venture deals. Highly regarded in the property world, he was involved in numerous successful projects but Rondpoint was not one of them.

London and Overseas and its UK institutional and merchant banking partners purchased the completed but vacant building off a development subsidiary of Banque Paribas. They were taking on a sizeable letting risk but were confident that a scheme of its type (with a metro link built into it) would soon attract tenants.

The gamble did not pay off and about four years later the consortium resold its so-called investment at a sizeable discount.

Now, however, the resurgence in the Paris office market which has brought space shortages and a return to substantial pre-letting activity, has finally come to the rescue.

Lettings

This week it was announced that, after some smaller deals over the last few months, major lettings have accounted for the entire floorspace available in the building—now owned by a pool of French banks, including Paribas.

The tenants include Electricite/Gaz de France's social services, who have taken 120,000 sq ft, the Mairie de Montreuil and several international companies. Rents achieved are around FFr 400 per sq metre, a long way short of the FFr 1,300 figure now within sight in locations like La Defense but nevertheless a welcome improvement on zero.

Rondpoint 93 becomes the first major building to be fully let in the eastern part of the city, although the nearby 610,000 sq ft Les Mercuriales—jointly owned by ICI pension fund and Natwest pension fund—is now virtually fully occupied after languishing "Rondpoint-style" for several years. Tenants are also moving into the 400,000 sq ft Pariferie building, once in the bands of Gabriel Harrison's Amalgamated Investment and Property.

To conclude the line-up in the Hall of Memories co-ordination of the Rondpoint letting was handled by Generale Continentale Investissements, run by none other than Paul Raingold, formerly of English and Continental, the development company backed by ICI pension fund and into which it eventually disappeared.

Raingold, whose operation now manages 1.5m sq ft of office space for French and British investors, says he shares local optimism about prospects for the Paris lettings market, including some of those areas which have for so long been shunned by tenants.

Over at Jones Lang Wootton, Robert Lipscomb emphasises that the large office tower developments in locations like those to the east of the city have had a tough time not only because of past weaknesses in the market but because of the ability of the new towns beyond Paris—where little problems like tenant permits for larger space users do not apply—to benefit from recent decentralisation.

He adds: "Having waited years for tenants, landlords of some of these lower blocks have been seeing potential occupiers snatched away from them by the new towns. But now the shortage of functional office space in central Paris has become so critical that even those buildings which have remained empty for so long are now quickly filling up."

Questions begin as Lipton steps down

"IF HE HAD wanted a sabbatical, they would have given it to him," was among the more forthright comments this week on the sudden departure of Stuart Lipton from the joint managing directorship of Greycoat City Offices.

In an industry where the wild young men of yesterday become the establishment figures of today, the urbane Lipton set the property world abuzz with a move to non-executive and consultancy status "to enable him to devote more time to his personal interests."

The resignation announcement seemed to have been written by committee, so gossip proceeded on the blithe assumption that committees usually only agree by leaving things out. More serious observers found it hard to understand why a man who had just trebled his net asset base with a classic reverse takeover for City offices—"the risk element is now controlled" he said this week—should now want to let go of it.

Some speculation was wild and wonderful, extending as far as the state of Lipton's health, but one saw deep significance in his continuing involvement as a consultant to Greycoat's scheme on Avenue of the Americas in New York (in addition to Finsbury Avenue in the City of London).

"Lipton has been a great expansionist," ran this particular theme; "he has been very keen on expanding in the U.S., but Greycoat has a lot of UK development on, a lot of Cutlers Gardens still to let, and the rest of the board wanted to go more slowly."

There is even a rumour that the reasons for his going were exactly as he put them himself: Lipton's specific responsibility has been development and construction in a company whose name has come to mean just that; he has paid fierce attention to detail—"I'm a nuts and bolts man"—and, as a result, is tired; he has a point to prove, on high quality architecture producing the best returns, and wants to find his own small corporate vehicle to do so.

There are other aspects to consider. Lipton's equity stake in Greycoat, which he has "no present intention" of selling, has been diluted to 5 per cent, mostly by the company's own equity based expansion. Motivation, perhaps, is not what it was.

If it were, stock market events of the past year or so might have blunted the edge. Greycoat's share price, around 122p yesterday, has not responded visibly to Lipton's withdrawal where some stock market observers might have expected a sharp fall. But then, it is still well short of the 1982-83 high of 162p, whereas the rest of the property share market is close to its peak.

WILLIAM COCHRANE

Millbank Matchmaker

IT WHAT might lead to the unlikeliest marriage of the year, ICI and the Greater London Council are on converging paths when it comes to certain property assets.

The GLC said this week that it was considering selling certain major commercial freeholds—ICI's Millbank headquarters could be among them—to meet a £40m capital requirement in its budgets for the current year.

Since last autumn, when ICI announced staff cuts and its decision to assign the Millbank lease or find tenants for the building, Jones Lang Wootton have been manfully attempting to market the space in an over-supplied market.

Conducted separately, neither marketing would seem particularly attractive. From ICI's side, it is difficult to let a 300,000 sq ft building or to sell a head lease expiring in 2025. For the GLC, the value of a lease with 42 years of a peppercorn rent to run is debatable.

However, said Martin Myers, a partner in Jones Lang Wootton, this week, the freehold "has a considerable marriage value with the head leasehold interest."

"It depends on how ICI feels and what attitude the GLC will take," he said, "but what they ought to do is merge the freehold and leasehold, sell and split the proceeds. In isolation they are unattractive, but the two two together could be dynamite."

British American in Minneapolis

BRITISH American Property Unit Trust has completed its first U.S. acquisition. The fund launched last year by Morgan Grenfell, Property Unit Trusts Group and Citibank has paid $22.5m (£14.9m) for a Minneapolis office block.

The Baker Block acquired by British American comprises just over 1m sq ft of offices and retail space which is located in a prime position in the business centre of Minneapolis. It is 96 per cent let at an average rent of $10 a sq ft. This compares with a current market rent for similar space of $20 a sq ft. New office space in Minneapolis is letting at around $28 a sq ft.

● Lloyd's Register of Shipping has taken 68,000 sq ft of office space at Emperor House, Crosswall, London EC3, a new joint development between British Gas Staff Pension Fund and European Ferries. The tenants, advised by Richard Ellis, will be paying £1.15m rent a year. Weatherall Green and Smith acted for the developers.

● A. L. Sturge, the holding company of a leading Lloyds underwriting agency, has taken the 15,312 sq ft fifth floor at 9 Devonshire Square, Cutlers Gardens — the Standard Life Assurance/Greycoat City Offices development in London EC 2. So far, around 75,000 sq ft of the ½m sq ft scheme has been let, mostly at rents of around £18 sq ft. At 9 Devonshire Square, where space is rather deeper than in the rest of the development, a rent of around £16 a sq ft is understood to have been agreed. Newton Perks represented A. L. Sturge in the negotiations.

● In an unusual property swap, Imperial Group Pension Funds have sold 2,450 sq ft shop in New Bond Street, let to Bally at £106,500 a year, to the Co-operative Insurance Society while the freehold of the Royal Garden Hotel, Kensington, has been acquired by head leaseholder Imperial. The two deals involved a payment of £2.5m by the CIS to Imperial. Richard Ellis acted for Imperial and Bernard Thorpe advised CIS.

● Eagle Star Properties has acquired from European Ferries, the London riverside development site known as St Mary Overy's Wharf in Southwark. The 47,400 sq ft scheme, for which planning consent was awarded after an appeal, is already pre-let to Grindlays Bank. Also included is an additional 21,500 sq ft of offices, flats and shops and Eagle Star says it is a "logical extension" to their adjoining Minerva House scheme, also let to Grindlays, which will be connected by bridge links.

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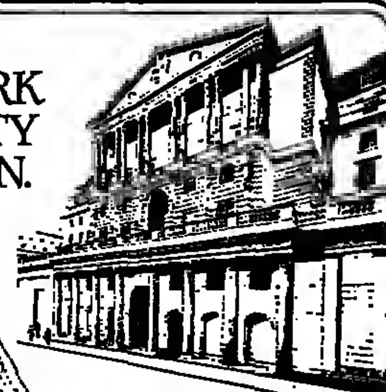

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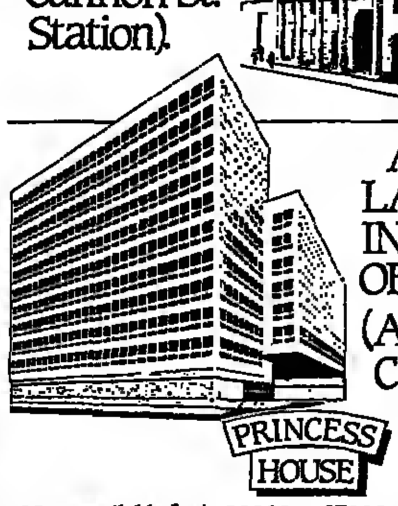

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130 FORE STREET, HERTFORD. A large Grade 2 listed double-fronted terraced house with retail use. On three floors plus a cellar and modern single-storey rear extension. Total area 3,834 sq. ft. plus large rear yard (suitable for redevelopment/refurbishment subject to planning).

132 FORE STREET, HERTFORD. A small end-of-terrace building on two floors comprising car showroom and store room. Total area 1,244 sq. ft. plus large rear yard.

138 FORE STREET, HERTFORD. A single-storey building and yard comprising a car showroom, petrol pump, offices and a workshop. Total area 5,155 sq. ft. plus a rear yard of 2,888 sq. ft.

146 FORE STREET, HERTFORD. A large open site of nearly 6,000 sq. ft. having a frontage of some 43 ft. and return frontage of 130 ft. Used as car park and car sales (suitable for development, subject to planning).

RAILWAY STREET, HERTFORD. A single-storey warehouse/workshop with a frontage of 34 ft. and eaves height of 12 ft. Total area 2,836 sq. ft. The premises have consent for use as a garage or warehouse.

21/23 HIGH STREET, PUCKERIDGE. No. 21 — End-of-terrace two-storey cottage, the ground floor of which is retail use and the first floor storage, 1,038 sq. ft. total. No. 23 — is a petrol filling station and workshop with three pumps; there are 3,500-gallon underground storage tanks; 3,510 sq. ft. Total site area 27,000 sq. ft. approx.

INVESTMENT — 9/9A OLD CROSS, HERTFORD. A double-fronted terraced brick-built building on three floors. The ground floor being retail, the first floor showroom/stock room and the second residential. Total area 1,750 sq. ft. Let on an internal repairing lease for 15 years from June 1977 subject to five-yearly rent reviews.

32 SOUTHBURY ROAD, ENFIELD. A transport yard of 5,400 sq. ft. (suitable for redevelopment, subject to planning).

FOURWAYS GARAGE, AMWELL STREET, HODDESDON, HERTS. A petrol station with four pumps, a showroom and rear workshop with a small detached brick office building. Total site area 6,785 sq. ft. (suitable for redevelopment, subject to planning).

For further information and tender documents contact:
Sole Agents: MARTIN HART & CO.
31, Brook Street, Mayfair, London W1Y 1AJ 01-629 5787

SPACE NEWS OFFICES

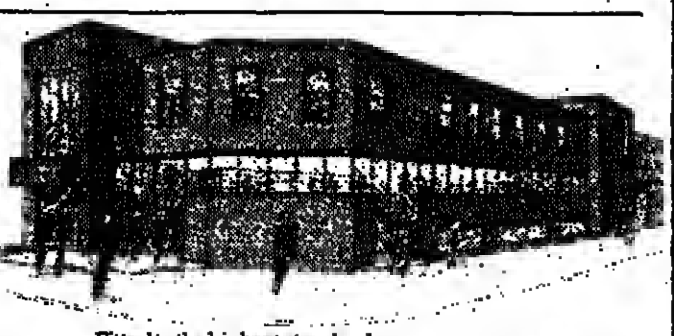
Outstanding Headquarters
Harvest House
FELIXSTOWE, SUFFOLK

An outstanding Office Building with panoramic sea views set in its own grounds of approximately 3 acres. Suitable for a variety of uses subject to planning.

Extensive amenities include: Covered and open parking for 135 cars. Extensive catering and dining facilities. Full conference and banqueting facilities. Attractive landscaping with walled rose garden. Two squash courts.

80,000 sq.ft. Approx. FREEHOLD FOR SALE

Vulcan House
163 HIGH STREET YIEWSLEY
WEST DRAYTON MIDDLESEX



A Prestige New Office Development

Fitted to the highest standard
Including 17 car parking spaces
Excellent representation
Heathrow Airport - five minutes away

7,700 sq.ft. TO LET

Home Gardens Dartford, Kent
Headquarters Office Building

55,000 sq.ft. TO LET

Only £3.50 per sq.ft. Inclusive

Excellent Communications to Central London and M25 Motorway

Full Amenities Offered with 170 Car-parking Spaces

FULLER PEISER
Chartered Surveyors
18 Bolton Street
Mayfair
London W1Y 7PA
01-499 8931

100 YEARS OF EXPERIENCE 1883-1983

هكذا صار الأصل

INTERNATIONAL PROPERTY

COMPANY NOTICES

ELECTRICITE DE FRANCE
National Service
Public Corporation of the French State (Law on nationalization of Electricity and Gas of April 8, 1946)

Registered Office:
2, rue Louis Murat—PARIS (8ème)

BONDS 8.58% 1971-1986 of USD 1,000

NUMERICAL LIST
1. of series including the 1800 bonds drawn by lot on March 8, 1983 (ninth drawing) making up the totality of the nominal amount USD 1,800,000 to be redeemed on May 1, 1983:
15,728 to 18,746
17,147 to 17,719
These bonds will be redeemed at USD 1,000 at the office of the FRENCH AMERICAN BANKING CORPORATION in NEW YORK and at the offices of the following banks:
BANQUE NATIONALE DE PARIS, PARIS — BANQUE DE PARIS ET DES PAYS BAS, PARIS — CREDIT LYONNAIS, PARIS — SOCIETE GENERALE, PARIS — CREDIT COMMERCIAL DE FRANCE, PARIS — LAZARD FRERES ET CIE, PARIS — BANCA NAZIONALE DEL LAVORO, ROME — SOCIETE GENERALE DE BANQUE, BRUXELLES — BANQUE DE PARIS ET DES PAYS BAS POUR LE GRAND DUCHE DE LUXEMBOURG, LUXEMBOURG — DEUTSCHE BANK A.G., FRANCFORT — ALGEMENE BANK NEDERLAND N.V., AMSTERDAM — BARCLAYS BANK LTD., LONDRES.
Outstanding amount: USD 12,000,000
All the securities previously redeemed have been presented for redemption.

THE COPENHAGEN COUNTY AUTHORITY (C.C.A.)
1969/1984 7% UA 15,000,000

On March 4, 1983, Bonds for the amount of UA 1,500,000 have been drawn for redemption in the presence of a Notary Public.
The Bonds will be reimbursed coupon No. 13 attached on and after May 9, 1983.
The drawn Bonds are those NOT YET PREVIOUSLY REDEEMED, included in the range beginning at: 4132 up to 8209 incl.
Amount unamortised: UA 1,500,000.
Outstanding drawn Bonds:
1 to 10 incl., 131 to 133 incl., 138 to 138 incl., 174 to 177 incl., 188 and 189, 221, 348, 389 to 392 incl., 1378, 1445 and 1456, 1572 and 1573, 1578, 1585 and 1586, 1739 and 1750, 1751, 1778 and 1779, 1884 to 1890 incl., 1914, 2462, 3114 to 3117 incl., 3789 to 3768 incl., 3806, 3830 to 3834 incl., 3839 and 3840, 3888 and 3889, 3899 and 3900, 3934, 3944 and 3949, 4048 and 3049, 4066 to 4074 incl., 4077, 4082 and 3883, 4088 and 4089, 4093 to 4093 incl., 4100, 3115 to 4128 incl., 4125 and 4128, 4131, 8048 to 8042 incl., 8579 to 8983 incl., 9280 and 9281, 9438, 9997, 10207, 11568 and 11569, 13357 to 14377 incl., 13380 to 14383 incl., 14388 to 14392 incl., 14489, 14492, 14871, 13380.
The Trustee
KREDIETBANK
S.A. Luxembourgeoise
Luxembourg,
March 18, 1983.

RAND MINES LIMITED
(Incorporated in the Republic of South Africa)
A Member of the Barlow Rand Group,

NOTICE IS HEREBY GIVEN that the annual general meetings of the undermentioned companies will be held in the auditorium, lower ground floor, 63 Fox Street, Johannesburg on the dates and at the times shown:

Name of Company (Each incorporated in the Republic of South Africa)	Date of Meeting	Time of Meeting	Closure dates of Registers of Members (inclusive)
Durban Roodepoort Deep, Limited	18th April 1983	10h30	8th to 14th April 1983
East Rand Proprietary Mines, Limited	14th April 1983	11h30	8th to 14th April 1983

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll and speak and act in his stead. A proxy need not be a member of the company.
Holders of share warrants to bearer who desire to attend or be represented at the meeting must produce their share warrants or a certificate of their holding from a banker or other approved person at the bearer reception office in the United Kingdom, or they must produce their share warrants at the office of the Paris correspondents, in both cases at least five clear business days before the date appointed for the holding of the meeting and shall otherwise comply with the Conditions governing share warrants in force. Upon such production a proxy form or an attendance form will be issued under which such share warrant holders may be represented at the meeting.

By Order of the Boards
V. M. MURTON
Administrative Manager and Secretary

Registered Office:
19th Floor,
63 Fox Street,
Johannesburg 2001.
(P.O. Box 62370, Marshalltown 2107)
18th March, 1983

BARLOW RAND LIMITED
(Incorporated in the Republic of South Africa)

PREFERENCE DIVIDEND No. 94
NOTICE IS HEREBY GIVEN that a preference dividend at the rate of 6% per annum for the half year ending 31 March 1983 (amounting to six cents per preference share) has been declared payable to all preference shareholders registered at the close of business on 1 April 1983.
The transfer books and register of preference shareholders will be closed from 2 to 8 April 1983, both days inclusive. Dividend warrants will be posted to shareholders on or about 28 April 1983.
In terms of the South African Income Tax Act, 1983, as amended, non-resident shareholder's tax has been imposed at the rate of 14.6448% on dividends payable to shareholders whose addresses in the preference shareholders' register are outside the Republic.

By Order of the Board
K. A. BAGG
Secretary
18 March 1983

Business address and registered office:
Barlow Park
Katherine Street
Sandton 2196
South Africa
Transfer secretaries:
Rand Registrars Ltd
P.O. Box 31719
Braamfontein 2017
South Africa

TOKYO TRUST S.A.
NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Hotel Vier Jahreszeiten, Munich, West Germany, on 8th April, 1983 at 12.00 hours for the following purposes:
1. To receive the report of the Directors and the Audited Accounts for the year ended 31st December, 1982, and to declare a dividend.
2. To confirm the appointment of Mr John Renyi, Mr Bernard Gadd and Mr Hubert Grosperrin, as Directors of the Company, and as their remuneration.
3. To authorise the Directors to fix the remuneration of the auditors.
3. To transact any other ordinary business of the Company.

By Order of the Board
BANQUE PARIBAS
Secretaries

NOTES:
1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member.
2. The quorum for the meeting is two shareholders present in person or by proxy.
3. Each of the resolutions set out above may be passed by a simple majority of the votes cast thereon at the meeting.

Copies of the 1983 Report and Accounts are available from the administrative branch office of Tokyo Trust at: 19 Avenue d'Ostende, Monte Carlo, Monaco.

GESTETNER HOLDINGS PLC
All bearer shareholders of ordinary and ordinary capital shares should lodge coupon 115 on or before 5th April 1983 with Barclays Bank PLC, Securities Services Department, 54 Lombard Street, London EC3P 3AH, in respect of the final dividend of 0.28% declared on 19th January 1983.

CITY OF BERGEN
1973/1991 7¾% Lux.Frs. Loan
On March 3, 1983, Bonds for the amount of Lux.Frs. 25,000,000 have been drawn in the presence of a Notary Public for redemption on April 10, 1983.
The following Bonds will be reimbursed coupon due April 10, 1984, and following attached:
2617 to 2888 incl.
Amount outstanding:
LuxFrs. 275,000,000.
Outstanding drawn Bonds: none.
The Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise
Luxembourg,
March 18, 1983

PROVINCE OF NEWFOUNDLAND
10% 1979/1994
U.S.$50,000,000
Pursuant to the terms and conditions of the Bonds, notice is hereby given to Bondholders that during the twelve-month period ending March 14, 1983 U.S.$ 1,000,000 of such Bonds were purchased in satisfaction of the Purchase Fund.
Outstanding amount: U.S.$ 33,000,000
Luxembourg, March 18, 1983
THE FISCAL AGENT
KREDIETBANK
S.A. LUXEMBOURGEOISE

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
DIVIDEND NOTICE
At a Meeting of the Board of Directors held today, a quarterly dividend of thirty-five cents (35¢) per share on the outstanding Ordinary Capital Stock was declared, payable in Canadian funds on April 28, 1983, to shareholders of record as at the close of business on March 28 1983.
By order of the Board,
J. C. AMES,
Vice-President and Secretary.
Montreal, March 13 1983.

BANK HANDLOWY W. WARSZAWIE S.A.
US$30,000,000
Floating Rate Notes due 1988
Read 31st May 1983 option of redemption at par instead of 25th May 1983.

RENOWN INCORPORATED
NOTICE TO EDR HOLDERS
This is to notify EDR Holders that at a meeting held by the Board of Directors of the Company, it was recommended that a dividend of Yen 12.50 per share, corresponding to annual dividend rate of 25 per cent should be paid to all EDR Holders on record as at 31st December, 1982 upon presentation of coupon No. 9 on or after 31st March 1983. The General Meeting of Shareholders will be held on 30th March, 1983 to approve the recommendation.
ROBERT FLEMING & CO. LIMITED.
Depositary.
London,
18th March, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in MARUZEN CORPORATION
NOTICE IS HEREBY GIVEN that subject to shareholders' approval a cash dividend will be paid to shareholders of record date March 31, 1983 and, pending payment, the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
NOTICE IS ALSO GIVEN that a free distribution of shares be made to shareholders of record date March 31, 1983 in the ratio of 0.05 share for each 1 common share of Y50 each (1 new for each 20 old).
Furthermore, it has been declared that the shares will be traded ex-dividend and ex-rights on the Japanese Stock Exchanges with effect from March 28, 1983.
Coupon No. 4 attached to the EDRs will be used for the collection of the dividend and Coupon No. 5 will be used for the collection of the free shares. A further notice will be published as soon as practicable with further details of the amount of the dividend and date of distribution of the free shares.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in OKUMURA CORPORATION
NOTICE IS HEREBY GIVEN that subject to shareholders' approval a cash dividend will be paid to shareholders of record date March 31, 1983 and, pending payment, the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
NOTICE IS ALSO GIVEN that a free distribution of shares be made to shareholders of record date March 31, 1983 in the ratio of 0.2 share for each 1 common share of Y50 each (1 new for each 5 old).
Furthermore, it has been declared that the shares will be traded ex-dividend and ex-rights on the Japanese Stock Exchanges with effect from March 28, 1983.
Coupon No. 3 attached to the EDRs will be used for the collection of the dividend and Coupon No. 3 will be used for the collection of the free shares. A further notice will be published as soon as practicable with further details of the amount of the dividend and date of distribution of the free shares.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in OKUMA MACHINERY WORKS, LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of a record date March 31, 1983 the shareholders' register will be closed for the period April 1, 1983 to around end of June, 1983, and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 8 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in FUJITEC CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 5 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in SUMITOMO ELECTRIC INDUSTRIES, LTD. CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 5 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in AJINOMOTO CO., INC.
NOTICE IS HEREBY GIVEN that subject to shareholders' approval a cash dividend will be paid to shareholders of record date March 31, 1983.
NOTICE IS ALSO GIVEN that a free distribution of shares be made to shareholders of record date March 31, 1983 in the ratio of 0.1 share for each 1 common share of Y50 each (1 new for each 10 old).
Furthermore, it has been declared that the shares will be traded ex-dividend and ex-rights on the Japanese Stock Exchanges with effect from March 28, 1983.
Coupon No. 3 attached to the EDRs will be used for the collection of the dividend and Coupon No. 5 will be used for the collection of the free shares. A further notice will be published as soon as practicable with further details of the amount of the dividend and date of distribution of the free shares.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in MITSUI & CO., LTD.
NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date March 31, 1983.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 28 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in NIPPON FIRE & MARINE INSURANCE CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 8 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in SHARP CORPORATION
NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date March 31, 1983.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 4 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in NISSIN FOOD PRODUCTS CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of a record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 8 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS (BDRs) in HITACHI LTD.
NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date March 31, 1983.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 28 from BDRs of 10 shares and Coupon No. 24 from BDRs of 00 shares will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in NIPPON SHINPAN CO. LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 11 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in NIPPON SHEET GLASS CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 4 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in TSUBAKIMOTO PRECISION PRODUCTS CO., LTD.
NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of a record date March 31, 1983 the shareholders' register will be closed for the period April 1-30, 1983 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.
Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 28, 1983.
Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.
Coupon No. 5 will be used for collection of this dividend.
CITIBANK, N.A., London, Depositary.
March 18, 1983.

CITY OF MONTREAL
3% PERMANENT DEBENTURE STOCK
NOTICE IS HEREBY GIVEN that the Transfer Register will be closed from 11th April to 29th April 1983, both dates inclusive.
THE ROYAL BANK OF SCOTLAND plc
Registrars
Registrar's Department,
18 Old Broad Street,
London EC2N 1DL.

EXHIBITIONS

COLNAGHI, 14 Old Bond Street, London, W1. 01-491 7408. ENGLISH ANCESTORS. Until 31st March, Mon.-Fri. 10-6, Sats. 10-1.

TRAVEL

TOKYO, Osaka, Seoul, Taipei & Far East. Wide choice of discount flights. Brochure. Japan Services Travel. 01-437 5703.

APPOINTMENTS

FOR SALE

FOR INVESTMENT

FACTORIES AND WAREHOUSES

OFFICES TO LET

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 11,411

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls			Puts		
M & S (USP 192)	160	34	—	—	1¼	—	—
" "	180	17	25	28	4	7	10
" "	200	3	15	20	12	17	20
" "	220	2	6	10	31	32	34
" "	240	1	2	—	61	52	—
SHL (USP 446)	360	88	—	—	—	—	—
" "	390	58	68	76	1	4	8
" "	420	26	40	50	8	13	18
" "	460	7	18	28	32	68	40

Mar. 17 Total Contracts 1,906 Calls 1,221 Puts 685

LONDON RECENT ISSUES

EQUITIES

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date		High	Low	Stock	Closing price	+ or −
75	F.P.	7/3	15/3	105	85	Dominion Int. 20p.	93	
102	Nil	—	—	12pm	11pm	‡Garfunkels 10p.	12pm	
163	F.O.	11/3	10/6	183	171	Geers Cross 10p	172	−4
90	F.O.	21/2	7/4	158	150	Grosvenor Group	158	
140	Nil	28/3	8/5	54pm	40pm	Magnet & Southerns	48pm	−6
26	F.O.	18/3	25/4	29	23	Mattov.	24	+1
27	F.O.	21/7	7/4	36	32	Mount Charlotte 10p.	36	
A$1.50	Nil	—	—	67pm	40pm	North B. Hill 50c	40pm	
60cts	F.P.	11/3	—	38	34	Rand Lon. Corp. 16cts	34	−6
58	F.O.	3/2	22/4	73	51	Stakis 10p.	78½	
400	F.P.	4/3	22/4	490½	426	Ultramar	470	−12
51	Nil	30/0	6/5	31pm	26pm	Volor	30pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. e Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

FIXED INTEREST STOCKS

هكذا أصل الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	63.0	66.3	+2.2	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Mar 15	56.7	61.2	.....	—
MM Flexible Mar 3	47.7	50.3	.....	—
Fixed Interest Mar 1	52.3	55.1	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	214.8	221.2	+2.5	—
Fixed Interest	155.9	156.4	+1.8	—
Property	159.0	163.7	+0.3	—
Deposit	138.1	138.1	+0.2	—
Mixed	181.9	185.5	+1.4	—
Indexed Stk.	113.8	114.3	+0.4	—

London Life Managed Funds Ltd.

Equity (P.)	150.3	155.5	+1.1	—
Fixed Int. (P.)	157.5	158.6	+2.7	—
Property (P.)	116.9	120.9	+0.2	—
Deposit (P.)	115.5	115.5	+0.2	—
Mixed (P.)	142.8	145.5	+1.4	—
Indexed Stock (P.)	119.9	120.7	+0.5	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	[illegible]	—	-0.3	—
Invest. Tst. Fd. Acc.	[illegible]	—	-0.3	*9.0
Property Fund Cap.	[illegible]	—	.....	—
Property Fund Acc.	[illegible]	—	.....	*3.3
Flexible Fund Cap.	176.1	—	-0.5	—
Flexible Fund Acc.	[illegible]	—	-0.5	*2.9
Fixed Int. Fd. Cap.	[illegible]	—	-1.0	—
Fixed Int. Fd. Acc.	[illegible]	—	-1.0	—
Gtd. Deposit Fd. Cap.	[illegible]	—	.....	—
Gtd. Deposit Fd. Acc.	[illegible]	—	+0.1	—
Equity Fund Cap.	[illegible]	—	-0.5	—
Equity Fund Acc.	[illegible]	—	-0.5	—
International Fd. Cap.	[illegible]	—	-0.4	—
International Fd. Acc.	[illegible]	—	-0.4	—
Capital Gwth. Fd.	[illegible]	—	-0.7	—
Moneymaker Fund	[illegible]	—	-0.6	—
Exempt Inv Tst Cap.	373.1	—	-0.5	—
Exempt Inv Tst Acc.	377.1	—	-0.3	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.10	—	.....	—

Inv. Adv.: M. & G. Inv Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	36.7	38.2	+0.8	3.10
Chinese Fund	79.9	85.2		1.70
Precious Metal Fund	122.3	121.4	-30.5	8.30
Vanguard Cmdy. Fd	43.0	44.0	+1.1	2.26
Financial Futures Fd	116.6	121.4		—
Wren Intl. Fnd.*	$0.941	0.979		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. φ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT COMMERCIAL LAW REPORTS

Arbitrators must base award on argument

INTERBULK LTD v AIDEN SHIPPING CO LTD
ICCO INTERNATIONAL CORN CO NV v INTERBULK LTD

Queen's Bench Division (Commercial Court): Mr Justice Lloyd: March 8 1983

WHERE A party to arbitration puts forward a primary case and an alternative case which, though given little emphasis at the hearing, is never actually abandoned, the arbitrators are entitled to reject the primary case and to base their conclusion on the alternative case; but if arbitrators reach a conclusion on a ground which was not in issue, their award should be set aside or remitted.

Mr Justice Lloyd so held when refusing the application of charterers, Interbulk Ltd, to set aside an arbitration award in favour of Aiden Shipping Co Ltd, owners of the Vimeira. A second award, in favour of Interbulk against sub-charterers, ICCO International Corn Co NV, was remitted to the arbitrators for reconsideration, on the sub-charterers' application.

* * *

HIS LORDSHIP said that the chartered vessel, the Vimeira, was sub-chartered for a voyage from the Mississippi to "one safe port" *out of Ghent.*

She discharged at Rodenhizedok in Ghent. After completion of discharge it was discovered that she had suffered damage to her rudder. The cost was £935,456.

Both the charter and the sub-*charter contained* arbitration clauses. The owners claimed against the charterers, and the charterers claimed against the sub-charterers.

The same three arbitrators were appointed in both arbitrations. It was alleged in both that Ghent was not a safe port for the vessel, or that Rodenhizedok was not a place where she could always lie safely afloat.

The first arbitration took place in August 1982 and the second in November. Applications to set aside the awards were now before the court.

With regard to the first arbitration the charterers submitted that the arbitrators had misconducted themselves as a result of a "procedural mishap," in that they had found in favour of the owners that the dock was unsafe on a ground which the charterers thought was not in issue.

The arbitrators, by a majority, had found that damage was done in the way put forward by the charterers, namely that the vessel had come into contact with the side of the dock due to negligence of the pilot; but all three arbitrators had found that the port was unsafe because the turning area was too restrictive for a vessel as big as the Vimeira and that any negligence of the pilot was insufficient to break the chain of causation.

Mr Buckley, for the charterers, said that the arbitrators' conclusion took them completely by surprise. Nowhere was it pleaded that the dock was unsafe because the turning was too restricted, and although the turning area was referred to in the opening of the case, it afterwards disappeared.

His criticisms misunderstood the nature of the owners' case. Their *primary* case was that the vessel took the ground either at the entrance to the dock, or while manoeuvring alongside. They relied on the tightness of the turning area only as an alternative.

It was hardly to be expected that the alternative case would receive as much emphasis as the primary case. But if the alternative case received little exposure, it was never abandoned.

Having rejected the owners' primary case by a majority, the arbitrators were fully entitled to uphold the alternative case. If the charterers did not realise that the owners' alternative case was still alive, that was their own fault. There was no procedural mishap.

Accordingly, the charterers' application to set aside the award on the ground of misconduct was dismissed.

*

The charterers had also asked "that the arbitrators be ordered to state the reasons for their award in sufficient detail to determine whether there was any evidence" to justify their conclusion.

Section 1 (5) (b) of the Arbitration Act 1979 empowered the court to order arbitrators to state their reasons in sufficient detail to enable the court to consider any question of law arising out of the award. But that did *not include* the power to order them to set out all the evidence, which was what, in effect, the charterers were seeking.

*

In the second arbitration the main thrust of the charterers' argument was that the turning area was *too tight.*

The arbitrators had said, in the first arbitration, that "the dock was unsafe for the Vimeira as it could not turn in the basin in safety." In the second they said that, with regard to the turning area for ships like the *Vimeira,* "*an element of risk* exists."

Mr Rokison, for the sub-charterers, said that nowhere in the reasons was there a specific finding that the dock was unsafe.

It was obvious from reading the award as a whole that the arbitrators must *have* found, rightly or wrongly, that the dock was unsafe for the vessel. Absence of clarity in reasons did not of itself give rise to a question of law. It should be cured by ordering the arbitrators to give further reasons, not by giving leave to appeal.

Next, Mr Rokison submitted that the award was obviously wrong.

He submitted that two questions of law could be identified. The first was that the arbitrators had got the burden of proof wrong in saying that they were not persuaded that a pilot error broke the chain of causation.

In safe port cases involving physical as distinct from political safety, the questions of safety and negligence were intimately linked. There was no reason to suppose that the arbitrators had made the elementary mistake of removing the burden of proof.

Secondly, Mr Rokison said that the only express finding in favour of the charterers was that there was "an element of risk." He submitted that that was not sufficient in law to support a conclusion of unsafety.

Assuming that the arbitrators had directed themselves that an element of risk was sufficient to *make* the port unsafe, *such a* direction would have been wrong.

But in an application for leave to appeal on a question of law it was not enough to show that arbitrators might or must have wrongly directed themselves, *unless it could also be shown* that a Commercial Court decision would add significantly to the clarity or certainty or the law in that field.

In the present case a decision would add nothing whatever to the clarity or certainty of English commercial law. No decision was needed to tell the commercial community that there was always an element of risk in every confined port.

The sub-charterers' application for leave to appeal from the second arbitration award was refused.

*

The sub-charterers said the arbitrators were guilty of misconduct in that they appeared to have reached their conclusion on a ground which was never in issue. In the second arbitration, they *said,* the turning area was the *only* issue in the dispute. Yet the arbitrators had decided it on the ground that there was mud at the dock entrance.

Mr Buckley, for the charterers, expressly conceded that where the basis of decision was not sufficiently "in the arena," there was ground for setting the award aside, and that mud in the dock was not "in the arena."

The inference from the reasons was that the presence of mud did play a vital part in the process of reasoning. There was no alternative but to set aside or remit the award.

The proper course was to remit it. If the arbitrators found that they were unable to approach the matter with fresh minds or were otherwise embarrassed, they must say so. Mr Rokison would then have a further opportunity to renew his application that the award be set aside and the matter considered *de novo* by a new tribunal.

For the owners: David Hunt (Ingledew, Botterell, Roche and Pybus).

For the charterers: Roger Buckley QC and Simon Gault (Wm. A. Crump and Sons).

For the sub-charterers: Kenneth Rokison QC and Mark Havelock-Allan (Richards Butler and Co.).

By Rachel Davies
Barrister

INTERNATIONAL CAPITAL MARKETS

Danes may have to cut foreign borrowing

By Hilary Barnes in Copenhagen

DENMARK may not be able to maintain the very high level of public-sector borrowing abroad which *characterised 1982, the central bank* warns in its annual report.

The public sector's net foreign borrowing soared from DKr 8.3bn ($967m) in 1981 to DKr 23.6bn last year when the entire burden of financing the DKr 20.2bn current balance of payments deficit *fell to the* public sector. Private capital imports declined by about DKr 3.5bn.

"It cannot be expected that lending of this order can be sustained, especially as the international credit system's attitude to the financing of countries with a continued balance of payments deficit and a large foreign debt has become more restrictive," said the report.

Nevertheless, the public sector's borrowing in 1983 will continue to be large. The servicing of outstanding debt alone will cost about DKr 23bn, including interest payments of DKr 10.3bn and loan repayments of DKr 12.8bn.

Debt servicing of loans outstanding at the end of 1982 will exceed DKr 20bn for several years. In addition, new loans to finance all or part of the current account deficit will add to the debt servicing burden. New loans totalling DKr 3.4bn were made in January this year.

One reason why the debt servicing burden has risen fast is because a number of loans made in earlier years had grace periods which have now expired.

The total net foreign debt at the end of 1982 was DKr 155bn, 33 per cent of gross domestic product, including DKr 109bn in public sector debt and DKr 71bn in private sector debt, while the foreign exchange reserves were DKr 25bn.

D-Mark foreign bonds advance

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

D-MARK foreign bonds showed only modest gains yesterday despite a larger than expected cut in official interest rates by the Bundesbank.

Dealers said the impact of the 1 per cent cut in German discount and Lombard rates to 4 and 5 per cent respectively was offset by a remark by Herr Karl Otto Pöhl, the Bundesbank president who said there was no room for further rate falls for the time being.

Deutsche Bank announced a DM 50m private placement for Alusuisse, the Swiss aluminium company, and a DM 40m placement for Electrolux, the Swedish household goods manufacturer. Both are to carry coupons of 7¼ per cent over six years, but the issue prices have been left open to allow the market to digest the impact of yesterday's rate cuts.

Swiss franc foreign bonds fell slightly despite the ½ point cut to 4 per cent and 5½ per cent in Swiss discount and Lombard rates respectively. The market is labouring from an excess of paper and the continuing strength of the dollar in exchange markets.

Among other new issues, Inter-Provincial Pipeline of Canada is raising C$50m through a 10-year 12¼ per cent Eurobond priced at par by lead managers Wood Gundy. In Switzerland, Trizec Corporation, the North American property company, has been awarded a 8¼ per cent coupon and par issue price for its SwFr 100m eight-year issue led by Royal Bank of Canada (Suisse).

The issue is part of a currency swap with the Österreichische Kontrollbank, which is raising a $175m issue through Orion Royal Bank.

Fixed rate dollar bonds were barely changed in quiet trading with the latest $75m, 10½ per cent issue for Crocker National Bank languishing at a discount of 2½ points on its par issue price.

WEEKLY U.S. BOND YIELDS (%)

	Mar. 10	Mar. 9	1982-83 High	1982-83 Low
Composite Corp. AAA	11.29	11.29	14.88	10.83
Composite Corp. AA	11.40	11.48	15.24	11.16
Government:				
Long-term	10.66	10.56	14.02	10.18
Intermediate	10.15	10.19	14.24	9.91
Short-term	9.64	9.61	14.52	9.23
Municipal	n/a	9.28	12.99	8.92
Industrials AAA	11.07	11.14	14.49	10.55
Industrials AA	11.39	11.46	14.79	10.96
Utilities AAA	11.52	11.44	15.27	11.11
Utilities AA	11.58	11.51	15.68	11.30
Preferred Stocks	10.71	10.83	13.35	10.71

Source: Standard & Poor's

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 17.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 89	75	112¼	112¾	0	-0½	11.28
Amro Bank 13 89	200	105	105¼	0	-0½	11.78
BHP Finance 14¾ 89	150	108⅝	109⅛	-0½	+0¼	12.57
British Col Hyd 15¾ 02	150	117¼	117¾	0	+0¼	12.82
Canada 14½ 87	750	110¾	111¼	0	+0½	10.99
Canadair Ltd 12½ 89	175	104¾	105¼	+0⅛	0	11.36
Canadian Wheat 11¼ 00	50	100¼	100¾	0	-0¼	11.13
Can Pac Ltd 14⅛ 92	75	111	111½	0	+0¼	12.48
Can Pac Sec 15 88	75	109⅞	110½	-0⅛	-0⅛	12.61
Citicorp O/S 15 84/92	100	104¾	105¼	-0⅛	0	8.96
Coca Cola Int 9⅞ 92	100	24⅝	25¼	0	0	10.75
Coca Cola Int 11¾ 88	100	105	105½	0	-0¼	10.57
Credit Suisse 10½ 88	100	100½	101	-0⅛	+0½	10.32
Deutsche Bk Fin 14¼ 89	300	110⅝	111	0	-0¼	11.73
Du Pont 11¼ 85	150	101⅜	101⅞	+0⅛	+0⅛	10.99
Du Pont 14½ 88 WW	200	107⅝	108⅛	+0¼	0	12.24
E.D.C. 10¾ 88	100	99¾	100¼	+0¼	+0⅛	10.73
E.D.F. 12¾ 87	150	103⅞	104⅜	0	0	11.58
E.E.C. 11½ 95	200	99	99½	0	+0¼	11.61
E.I.B. 11 01	125	97¾	98¼	0	+0⅛	11.39
E.I.B. 15½ 92	100	114⅛	114⅝	+0¼	+0⅛	12.72
Exp Dev Corp 11¾ 87	100	102⅛	102⅝	0	+0⅜	10.99
Forsmarks 13⅝ 92	75	105½	106	0	+0⅛	12.64
Gaz de France 12¼ 93	175	19⅝	20⅛	+0⅛	-0½	12.24
Gen Elec Credit 0 01	100	14⅞	15⅜	0	+0⅛	10.88
Gen Elec Credit 12 89	100	106⅜	107⅛	-0⅛	0	10.44
GMAC O/S Fin 10⅛ 90	200	97⅛	97⅝	0	0	11.05
GMAC O/S Fin 15 87	100	108¾	109¼	-0⅛	0	12.09
Gulf Oil Fin 12¼ 87	100	103¾	104¼	-0⅛	-0½	11.04
IBM World Trade 12⅛ 92	200	109⅛	109⅝	-0⅛	0	10.59
Lloyds Euro 11⅛ 94	100	17⅜	17⅞	0	-0⅜	11.87
Manitoba Prov 11¾ 89	125	102⅞	103⅜	0	0	11.08
Manitoba Prov 13⅝ 89	100	108⅝	109⅛	0	+0⅛	11.69
Midland Int Fin 11½ 92	150	99⅞	100⅜	0	+0⅛	11.46
Nat West Fin 11¾ 92	150	101⅛	101⅝	0	+0¼	11.46
New Brunswick 15⅛ 97	75	111⅜	111⅞	-0⅛	-0⅛	11.65
Newfoundland 15½ 00	75	113½	114	+0⅛	0	12.60
Nippon Credit 11¼ 83	100	97	97½	-0⅛	0	11.73
Nova Scotia Prv 15¾ 89	75	113½	114	-0⅛	+0⅛	11.99
Ontario Hydro 11¼ 89	200	102¾	103¼	0	-0¼	10.59
Ontario Hydro 12¾ 92	200	106½	107	0	+0¼	11.52
Ontario Hydro 15 92	150	118⅜	118⅞	0	+0⅜	11.93
Prudential O/S 10⅜ 93	100	99⅜	99⅞	+0⅛	+0⅛	10.68
Prudential O/S 12¾ 87	150	106¼	106¾	+0⅛	+0⅛	10.83
Quebec Hydro 11½ 92 B	100	100¼	100¾	-0⅛	+0½	11.39
R. J. Reynolds 12⅜ 89	100	104⅞	105⅜	0	-0⅛	11.55
Saskatchewan Prov 15 92	150	116⅛	116⅝	-0⅛	+0⅛	11.97
Swed Exdil 11½ 88	100†	99⅛	99⅝	+0⅛	+0⅛	11.67
S.N.C.F. 11½ 93	100	98½	99	-0⅛	+0¼	11.72
Swed Exp Credit 14⅜ 90	100	108⅝	109⅛	0	+0⅜	12.73
Swiss Bk Corp 10¼ 90	125	99⅝	100⅛	+0⅛	+0⅛	10.23
Texaco Capital 9¾ 00	150	94⅞	95⅜	0	0	10.83
U.B.O. 11 88	150	102¾	103¼	0	+0¼	10.33
Walt Disney Pro 12½ 89	25	103⅝	104⅛	0	+0¼	11.57
World Bank 10⅜ 88	150	98⅜	98⅞	0	+0⅜	10.73
World Bank 10⅞ 92	100	97⅜	97⅞	0	-0⅛	11.28
World Bank 11⅛ 98	100	97⅞	98⅜	0	0	11.38

Av. price changes: on day 0, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	101⅛	101⅝	-0⅛	+0⅛	8.03
Asian Dev Bank 8¼ 92	150	101⅛	101⅝	0	+0⅜	8.03
Australia 8⅞ 93	200	99	99½	+0½	+0½	8.88
Australia 7¾ 92	200	105½	106	+0⅛	+1⅛	6.90
Bank of Tokyo 7¼ 90	100	100¼	100¾	-0⅛	+1¾	7.15
Bayer Capital 7⅛ 88	150	103⅛	103⅝	0	+0⅛	6.96
Bencharo Fin 8⅛ 92	125	102⅜	102⅞	0	-0⅛	7.71
Caisse Nat Energie 8 92	100	100½	101	0	+0⅛	7.88
Caisse Nat Tele 7¾ 93	200	98⅜	98⅞	+0⅛	+0½	7.95
E.C.S.C. 7½ 93	150	99⅛	99⅝	+0⅜	+0⅜	7.57
E.E.C. 7¾ 95	200	100⅛	100⅝	+0¼	+0⅜	7.68
E.E.C. 8 94	200	101⅛	101⅝	0	+0⅛	7.81
EKN 8⅛ 89	100	99¾	100⅛	+0¼	+0⅜	8.33
Gould Int Fin 8⅛ 89	75	102⅛	103⅛	0	+0¼	7.67
H.J. Heinz Int 6¾ 89	50	99⅞	99⅜	0	+0½	6.84
Int-Am Dev Bk 8¼ 93	150	101⅛	101⅝	+0⅛	+0½	8.02
Ireland 8⅞ 91	150	103⅜	103⅞	-0⅛	+1⅛	8.22
ITT Antilles 7 93	200	98⅜	98⅞	0	+0¼	7.20
McDonalds Fin 7⅞ 92	100	101⅞	101⅝	+0⅛	+0½	7.62
Mitsui O.S.K. 7⅛ 88	100	98½	99	+0⅛	+0½	7.56
Mitsubishi Heavy 7⅝ 87	150	101⅛	101⅝	+0⅛	+0¼	7.26
Quebec Hydro 8 93	200	102⅛	102⅝	+0⅜	+1	7.63
Sweden Kingdom 8⅛ 89	150	102⅞	103⅜	0	0	7.60
World Bank 7⅜ 93	200	98⅛	98⅝	0	+0¼	7.48
World Bank 8¼ 92	200	103¼	103¾	-0⅛	0	7.71

Av. price changes: on day +⅛, on week +⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	98	98¼	0	-0½	4.99
Asian D.B. 5½ 95	100	97¼	98	-0⅛	-1¼	6.15
Bowater Ins Fin 6 92	100	101	101½	+0⅜	-1⅜	5.82
BTR Finance 5⅜ 93	75	96⅛	96¾	-0⅛	+1	5.89
Chugoku Ele Pow 6⅛ 91	100	99¾	100	-0¼	-1⅞	6.14
Chujitsuya Co 5⅞ 93	50	96	96¼	+0⅛	-0⅛	6.41
Ex-Im Bk Japan 5 93	100	95⅜	96	-0⅛	-1⅛	5.55
First Interstate 6 92	100	101¾	102	-0⅛	-1⅞	5.74
Gaz de France 6 83	100	101¾	102	0	-0¼	6.74
Gothenburg Airport 6 92	50	99	99¼	-0⅛	-0¼	6.12
HCA Finance 5 93	100	95⅛	96⅜	+0⅛	-1⅜	5.58
Kyushu Elec Power 6 92	100	99½	99¾	-0¼	-1⅛	6.05
Manitoba Prov 5¼ 93	100	100⅜	101	-0⅜	-0⅞	5.13
New Zealand 5¼ 92	100	99⅞	100½	+0¼	-1⅛	5.25
Nippon Express Co 6 93	50	100¼	100½	-0¼	-1⅛	5.98
Nippon Kokan 5⅝ 93	100	95¼	95½	-0⅜	-2	6.26
Nisshin Steel Co 6⅜ 92	100	99	99¼	-1⅛	-1½	6.45
Norsk Hydro 5½ 88	100	96	96½	-0⅞	-0⅜	5.88
O.K.B. 6¾ 93	80	101½	101¾	+0½	+0½	6.52
Quebec 5¾ 92	100	100½	100¾	-0⅜	-2⅛	5.66
Shikoku Elec Pow 5⅞ 93	100	98⅛	96⅜	-0¼	-0⅛	5.99
Tokyo Elec Power 5⅞ 92	100	100½	100¾	-0⅜	-2	5.78
Transcanada Pipe 5¾ 93	80	97½	97¾	-0⅛	-0⅛	6.07
Union Bk Norway 5⅝ 93	80	96	96¼	0	-2¼	5.98
Volvo 6⅛ 91	80	99	99¼	-1⅛	-2	6.51
World Bank 5½ 92	100	100	100¼	-0⅜	-1	5.48

Av. price changes: on day -¼, on week -1⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	100¾	100⅞	-0⅛	0	7.74
E.I.B. 8¼ 92	15	102½	103½	+0⅛	+0⅜	7.77

	Issued	Bid	Offer	Change on day	Change on week	Yield
Japan Airlines 7⅞ 97	91	100½	101½	-0¼	+0⅛	7.57
New Zealand 8⅜ 07	10	102¾	103⅝	0	-0⅛	7.58
World Bank 8⅜ 92	20	103	104	-0⅛	+0⅛	7.82

Av. price changes: on day -⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	112¾	113¼	0	+0⅛	13.84
Can Utilities 17 87 C$	35†	113¼	114¼	0	0	12.67
Farm Credit 12½ 92 C$	50†	99⅜	99⅞	0	-0⅛	12.18
Gaz de France 15 88 C$	75†	106¼	106¾	0	0	12.41
Gaz Metro 14½ 92 C$	40†	103⅛	104⅛	0	0	13.74
Quebec Hydro 14 92 C$	60†	106¼	106¾	0	0	12.76
Swed Exp Cr 12¼ 88 C$	50†	99¾	100¼	+0⅛	+0½	12.23
E.E.C. 11⅝ 93 ECU	50	99⅜	99⅞	0	0	11.81
Elf Marge 11¾ 89 ECU	30	97⅜	98⅜	+0¼	+0⅛	12.34
Amfas 9½ 97 Fl	60	104⅜	104⅞	0	+0⅛	8.75
Austria 7½ 88 Fl	100	99⅛	100	0	+0⅛	7.56
Nederland Gas 7⅛ 89 Fl	100	99¾	100¼	0	+0½	7.60
Neder Middbk 9¼ 87 Fl	100	104¼	104¾	+0⅜	+0⅛	8.05
Quebec Prov 7½ 89 Fl	100	98¾	99¼	-0⅛	+0⅛	7.75
World Bank 7 88 Fl	150	98⅛	98⅝	-0⅛	0	7.34
O.K.B. 14 89 FF	400	97½	98½	0	+0⅛	14.86
Solvay & Cie 14¾ 86 FF	200	96⅜	97⅜	0	+0⅛	10.97
B.F.C.E. 14½ 97 £	30	107⅛	108⅛	+0⅛	+0⅛	12.98
C.E.C.A. 12⅛ 89 £	20	104⅛	105½	+0⅛	+0⅛	12.17
C.N.T. 12¼ 89 £	20	100½	101½	+0⅛	+0⅜	12.23
E.E.C. 11⅞ 91 £	50	98¼	98¾	0	-0⅛	12.17
Fin For Ind 12⅛ 89 £	30	101⅜	102⅜	0	0	11.67
Fin Mat Oranj 12⅜ 02 £	30	24⅛	24⅞	0	+0⅜	12.71
Gen Elec Co 12½ 89 £	50	104½	105½	+0⅛	+0½	11.20
Hiram Walker 14¼ 88 £	25	106⅛	107⅛	+0⅛	+0⅜	11.55
Mort Bk Fin 11⅞ 88 £	15	23⅞	24⅞	0	+0⅛	13.10
Norsk Hydro 12 90 £	30	27⅛	27⅞	0	+0⅛	12.75
Norsk Hydro 14½ 87 £	30	107¼	108¼	0	+0⅛	12.83
Quebec 14½ 89 £	30	106⅛	107⅛	+0⅛	-0⅛	12.84
S.D.R. France 15⅛ 92 £	30	106⅛	107⅛	+0⅛	-0⅛	14.12
S.N.C.F. 11½ 88 £	30	95⅞	96⅛	-0⅛	+0¼	12.44
Tenneco Int 14⅜ 87 £	30	106⅜	107⅜	+0⅛	-0⅛	12.48
World Bank 11⅞ 91 £	75	26⅞	27⅞	+0⅛	+0⅛	11.88
Euratom 11 92 LuxFr	500	101⅞	102⅞	+0¼	+1	10.60
Europarat 12½ 92 LuxFr	500	103⅝	104⅝	+0⅛	0	11.72

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100	100½	10/6	9⅝	9.73
B.F.C.E. 5¼ 88	0¼	98⅝	99⅛	20/7	9¼	9.36
B.F.C.E. 5⅛ 87	0⅛	99½	100	22/7	9.94	9.98
Caisse Nat Tele 5⅛ 00	0¼	99	99½	21/4	10.56	10.64
Cepme 5¼ 92	0¼	99½	100	10/8	9.94	9.96
Chemical NY 5¼ 94 ††	0¼	100¼	100¾	23/3	9.94	9.88
Credit Agricole 5¼ 91	0⅛	99⅛	99⅝	24/3	12⅛	12.08
Credit du Nord 5¼ 92	0⅛	98⅛	99⅛	23/6	10⅛	10.19
Credit Lyonnais 5⅛ 87	0¼	98	98½	1/4	12.15	12.20
Credit Lyonnais 5⅛ 94	0¼	99	99½	5/7	9⅝	9.82
Credit Nat 5¼ 94	0¼	98¾	98¼	8/8	9⅛	9.34
E.D.F. 5¼ 85 XW	0¼	99	99½	11/8	10	10.06
Kansallis Osaka 5⅛ 92	0¼	99¾	100¼	8/5	10.06	10.09
Lloyds Eurofin 5¼ 92 §	0¼	100⅛	100⅝	29/4	10.56	10.52
Long Term Cred 5¼ 92	0⅛	100	100¼	27/5	10⅛	10.11
J.P. Morgan 5⅜ 97 §	0¼	100¼	100¾	12/5	9½	9.45
Nat West Fin 5⅛ 01 §	0¼	100⅛	100⅝	15/7	9¼	9.22
New Zealand 5¼ 07	0⅛	100½	100⅝	7/4	12⅛	12.45
NZ Steel Dev 5¼ 92	0⅛	100	100½	22/6	10.10	10.10
Nippon Credit 5¼ 90	0⅛	100⅛	100⅝	10/8	9⅞	9.84
Offshore Mining 5¼ 91	0¼	100	100½	2/6	10.44	10.41
Scotland Int 5¼ 92	0½	99⅝	100¼	23/3	13¼	13.27
Sec Pacific 5¼ 91	0⅛	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0¼	99½	99⅞	1/3	9½	9.56
Standard Chart 5¼ 91	0⅛	100	100½	18/6	10.69	10.66
Sweden 5⅛ 93	0¼	99¼	99¾	3/8	10.10	10.24
Sweden 5¼ 00	0⅛	99⅛	99⅝	28/8	9⅞	9.69

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	93⅝	95¼	-0½	3.58
Bridgestone Tire 5½ 96	3/82	470	102¾	104¼	-0⅜	1.82
Canon 7 97	7/82	748.2	100¼	102¼	-1¼	6.39
Fujitsu Fanuc 4½ 96	10/81	5614	102	104	0	18.34
Hitachi Cable 5¼ 96	2/82	515	96	97½	-1⅝	5.24
Hitachi Credit Corp 5 96	7/81	1612	89¼	91¼	+0¼	18.74
Honda Motor 5½ 97	3/82	759.8	116½	117⅝	-1⅜	1.58
Kawasaki 5¾ 96	9/81	225	75¼	77⅜	-0¼	18.83
Kumagai Gumi 5⅛ 97	10/82	496	108½	110½	-0¼	4.35
Kyowa Hakko 5¼ 97	2/83	762	105⅝	107⅛	+0⅜	17.65
Marui 6 96	7/81	750.5	119¼	120⅝	+0⅛	8.11
Minolta Camera 5 96	10/81	826.4	73¼	75	+1	30.81
Murata 5¼ 96	7/81	1971	98	99½	-0⅜	21.83
NKK 5½ 00	7/81	188	100	85½	-0⅛	24.07
Nippon Electric 5¼ 97	2/82	765.9	128	129½	-0½	8.77
Olympus Optical 6¾ 07	12/82	1331	103¾	105¼	-0½	7.18
Orient Finance 5¼ 97	3/82	1205	107	108½	-1⅛	4.88
Sanyo Electric 5 96	10/81	652	87½	89	+0¼	24.91
Sumitomo Electric 5⅛ 87	3/82	577.3	98¼	99⅞	0	12.08
Sumitomo Metal 5¼ 96	10/81	296.1	70	71½	-0½	34.23
Fujitsu 3⅛ 93 SF	3/83	968	100⅞	100⅞	-0⅛	5.63
Sharp Corp 3½ 93 SF	3/83	1196	110½	112½	+0¼	-0.75
Konishiroku 6¼ 89 DM	9/82	910	111¼	112¼	+0¼	8.49
Mitsubishi Heavy 6 89 DM	2/82	263	105¼	106¼	+0⅜	22.50
Sun Realty 6½ 92 DM	2/83	385	108¾	109¾	-0⅜	2.62

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. — current coupon. C.yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Setback for U.S. retailer

By Our Financial Staff

FEDERATED Department Stores, the major Cincinnati-based retailer, reported lower 1982 net earnings despite a rise in the last quarter.

Profits for the year fell from $258.3m or $5.33 a share to $232.8m or $4.79 on revenues up from $7bn to $7.7bn. Fourth quarter profits rose from $129.6m or $2.68 a share to $142.4m or $2.93 on revenues up from $2.3bn to $2.8bn.

In contrast, St Louis based May Department Stores reported higher net earnings for the year to January 29 – $141.7m or $4.87 a share against $128.2m or $4.31. Sales rose from $3.4bn to $3.65bn.

Sharp rise in coffee prices, Page 35

SECTION III CONTENTS

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday March 18 1983

WALL STREET

Markets take pause for thought

EQUITY and bond sectors traded nervously on Wall Street yesterday as investors balanced a renewed uncertainty over world oil prices with the prospects for the recovery in U.S. industry.

Business in both sectors was subdued, but underlying confidence appeared undimmed. The resistance of share prices to several bouts of profit-taking over the past week is regarded as a pointer to the market's ability to hold on to the substantial gains of recent months, *writes Terry Byland in New York.*

The slackness of trading was indicated by a total of only 70.8m shares traded. The Dow Jones Industrial average, after fluctuating narrowly all day, closed 0.97 up at 1118.97. Profit-taking over the wider range of the market brought share losses by 916 issues, compared with 658 gains.

Credit market remained uneasy beneath the shadow of the Federal funding programme. Dealers were assessing prospects for yesterday's auction of one-year Treasury bills, which were quoted on a when-issued basis in the market at a yield of 8.31 per cent. The two-year bills, auctioned late on the previous day, yielded 9.66 per cent.

Bond prices opened lower, largely in reaction to a continued firmness in the Federal funds rate. The funds opened at 8⅞ against 9 per cent late on the previous day and later traded at 8.50 per cent.

Dealers said that the market continues to lack a genuine investment demand for bonds, which leaves yields under the influence of short-term funding rates among the professional traders.

This week has brought new doubts about the timing of further falls in interest rates. The ready supply of Federal funding to the market – this week has seen customer repurchase arrangements totalling $2bn and $400m in bill purchases – has been balanced by market needs for cash ahead of the March 15 corporate tax payment date.

The Treasury long bond, the 10⅜ per cent of 2012, was down to 97⅞ and some other long dated stocks shaded lower at first. Treasury bond yields were several basis points higher. The discount on the three-month bill stood at 8.34 and that on the six-month bill at 8.42.

Share markets looked less sure of themselves in the wake of the sell-off in oil stocks in late trading on Wednesday. Small losses were well scattered by mid-session, but early falls were reduced later, when the market became almost lifeless for a while.

Major oil stocks remained depressed by Wall Street's cautious view of Opec's ability to make the newly reduced prices stick if non-members undercut them.

Airline issues proved unable to sustain Wednesday's gains and often fell foul of profit-taking sellers. Retail issues, on the other hand, looked firm

Among the market leaders, IBM closed unchanged on the day at $98⅞ having been as low as $98¼. Others to record small falls included General Motors at $59½, Dow Chemical at $30 and Getty Oil at $53⅞. Philips Petroleum dipped by $1⅛ to $30¾ after announcing a shelf registration of $500m debt.

In Toronto, all 14 stocks groups were trading lower, led by the continuing weakness of gold shares. In Montreal, industrials and paper stocks were notably weaker.

LONDON

Downturn gathers momentum

EQUITY markets began to look distinctly tired yesterday as buyers went to ground after the recent good run up to the budget. Wednesday's downturn gathered pace when short-term holders decided to take often substantial profits, established in the recent upsurge to record equity levels.

Sentiment was also affected by end-account influences, coupled with the absence of any "new-time" interest for the next extended trading account, beginning on Monday, which covers the Easter holiday.

Trading conditions were thus extremely drab, but statements from leading groups such as GKN, TI and BP added some colour to the day's proceedings. The preliminary figures from both GKN and TI proved disappointing, but in each case, the more confident view of current prospects negated any lasting weakness. GKN was finally 2p up on the day at 185p after being a few pence cheaper at one stage, and TI 6p easier at 170p, after 162p.

British Petroleum's preliminary profits matched market estimates and the shares, a shade easier ahead of the statement, picked up to close unchanged on the day at 332p. Other leading oils traded cautiously.

Losses elsewhere in the equity leaders ranged to 8p more in the case of Glaxo, and the Financial Times Industrial Ordinary share index fell 10.3 to record its biggest one-day loss for some seven weeks at 661.0. This setback, however, was relatively modest and not unexpected when viewed against the recent strength of the equity market.

Government stocks traded on a much steadier note. Quotations at the long end of the market soon regained opening losses ¼ and thereafter narrowly fluctuated before settling with gains ranging to ¼.

Interest among the shorts centred chiefly on the new Exchequer 10½ per cent Convertible 1986, official supplies of which were exhausted on Wednesday morning at £26. The £25-paid stock encountered persistent support and, with most of the issue in safe hands, the price moved up progressively to a peak of £27 before settling at 26¹³⁄₁₆ for a net gain of 1⁵⁄₁₆.

The other partly-paid issue, Exchequer 10½ per cent 1987 A, also attracted support and closed ½ higher at 30⁵⁄₁₆.

Share information services, Pages 36–37

AUSTRALIA

Lower trend

SHARE prices opened easier and drifted lower throughout the day in Sydney. At the close, the All Ordinaries index was down 3.8 at 510.4, mainly due to widespread falls in the resource sector.

Oil and gas stocks were hit by the new Labor Government's decision to cut back the so-called price parity charge on domestic oil, by A$1.79 a barrel. The charge is designed to keep domestic crude prices in line with Opec charges.

Leading and speculative gold stocks fell widely, in line with overnight falls in world bullion prices. Central Norseman dipped 70 cents to A$6.80, GMK 30 cents to A$9.20, Poseidon 30 to A$3.85, Renison 15 cents to A$3.85 and Peko 14 cents to A$5.70.

Gold issues also led the market down in Melbourne

SOUTH AFRICA

Sharp losses

GOLD shares ended sharply lower in Johannesburg amid overseas selling pressure and very little local institutional buying interest. President Brand was marked down R3.50 to R41.50 while cheaper priced producers lost around 50 cents.

Mining financials and other minings also declined, with Anglo American Gold slipping R3 to R124.50

FAR EAST

Recovery hopes spur investors

ACTIVE foreign buying of big-capital issues led share prices higher in Tokyo, though morning gains were partly offset by late profit-taking and liquidation. The Nikkei Dow market average rose 25.01 to close at 8,195, on volume of 380m shares, while the Tokyo SE index closed up 1.62 at 603.88.

Foreign investors showed particular interest in steels and heavy electric machinery. Nippon Steel rose Y4 to Y189, Kawasaki Steel Y4 to Y154 and Sumitomo Metal Industries Y3 to Y181, on hopes that lower crude oil prices would spur economic recovery and increase demand for steel.

Banyu Pharmaceuticals rose Y56 to Y720 and Chugai Pharmaceutical Y30 to Y1,150. Non-ferrous metals were mixed. Mitsui Mining and Smelting advanced Y5 to Y542 and Sumitomo Metal Mining advanced Y10 to Y1,440 but Mitsubishi Metal declined Y7 to Y475. The second market closed sharply higher on a volume of 14m shares.

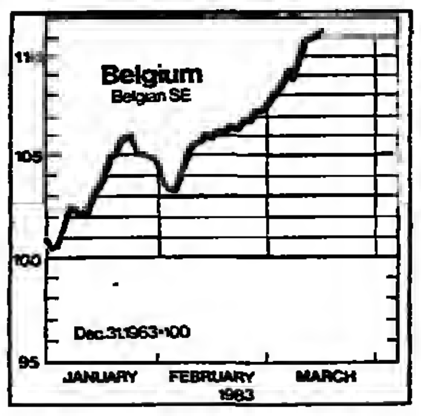
Hong Kong continued its lower trend with prices closing easier on sporadic late selling. The Hang Seng index, which lost 8.17 points at the morning close, finished 18.81 down on the day at 1,007.28. Combined turnover remained a light HK$138.79m, compared with HK$129.41m for Wednesday's half day session.

There was speculation that First Pacific Holdings and First Pacific Finance, which had requested a two day suspension of trading, pending an announcement today, were planning rights issues. However, this had little impact because of the limited availability of these shares in the market.

Leaders were generally lower, with Cheung Kong easing 40 cents to HK$9.80, Hongkong Land 17 cents to HK$4.20, Hongkong Bank 10 cents to HK$9.05, and Jardine Matheson 10 cents to HK$14.

Singapore had a very active session, though share prices closed narrowly mixed with prices fluctuating uncertainly on bouts of profit-taking and buying support. The Straits Times Industrial index fell 1.87 to 851.08.

Haw Par rose 9 cents to S$2.90, Keck Seng 24 cents to S$4.44, Oriental holdings 14 cents to S$4.60 and Hong Leong Credit 20 cents to S$6.10. But on the decline, Malayan Cement fell 15 cents to S$7.90, Straits Trading 15 cents to S$6.15, Development Bank 5 cents to S$8.80 and Industrial/Commercial Bank 10 cents to S$7.20.



EUROPE

Frankfurt shares rise on rate cut

LEADING shares closed firm, though off their day's highs in Frankfurt, after sometimes hectic early activity slackened, ahead of the Bundesbank Council's meeting. Its decision to make full point cuts in Discount and Lombard rates to 4 per cent and 5 per cent respectively, came after the bourse had closed, but another jump in equity prices was seen in after-market dealings.

The bond markets were also still waiting for the outcome of the council meeting when official trading ended, with domestic bond prices largely unchanged. The Bundesbank sold DM 6m in public sector bonds to balance the market. During the afternoon, however, bond traders were concentrating on finding a new yield base after the full point cuts had caught the market by surprise.

During the bourse session, the Commerzbank index rose to 865.40, its highest level since January 1970, reflecting the very strong mid-session prices. But by the close, it had slipped back to 856.4 for a loss on the day of 1.2.

In Amsterdam, domestic bonds were also weaker on very low turnover ahead of the later-confirmed cuts of half a point each in bank rate and the secured loans rate. The thin volume meant that price movements were exaggerated, with short dated issues trading about Fl 0.20 lower and longer term paper up to half a point lower.

Stocks wavered during the session but most leading issues made up ground later in fairly active trading and the ANP-CBS index was unchanged at 118.3.

In Zurich, where the Swiss National Bank also cut Discount and Lombard rates by half a point each after the bourse had closed, bonds had continued easier. Domestic share prices closed slightly lower in quiet trading, with most investors holding back due to uncertainty over a possible realignment of the European Monetary System this weekend.

Exchange rate uncertainties left share prices narrowly mixed in Paris, though with an easier bias. Losses, however, were often offset by continuing speculative purchases by foreign investors

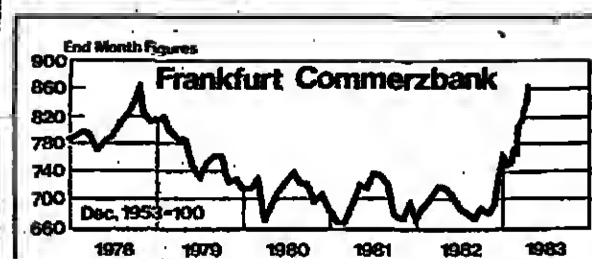
In Brussels, stocks made slight gains in moderate trading, with the new foreign exchange restrictions making the bourse more attractive to investors. The measures have made speculation against the Belgian franc prohibitively expensive, so additional money is now flowing into stocks, which are expected to show gains in the event of a franc downgrading.

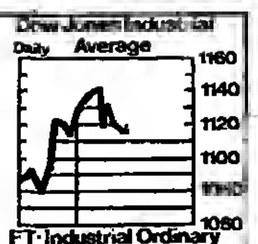
In Milan, prices closed irregularly firmer in active trading. Early end-account liquidation was absorbed by institutional support buying, while strong selective interest firmed several leading issues.

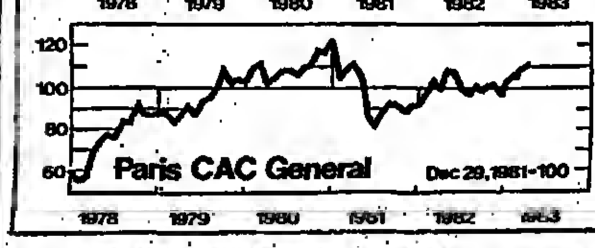
Stock prices rose in quiet trading in Madrid where the bourse index closed 0.86 higher at 108.85.

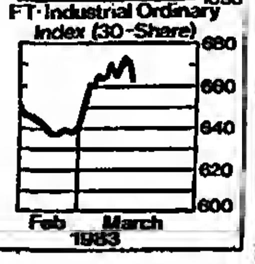
But in Stockholm, prices were generally lower during a dull session, though some issues staged a late recovery.

KEY MARKET MONITORS









STOCK MARKET INDICES

NEW YORK	March 17	Previous	Year ago
DJ Industrials	1118.97	1118.00	795.95
DJ Transport	504.05	504.92	325.30
DJ Utilities	126.34	126.85	105.20
S&P Composite	149.59	149.81	109.08
LONDON			
FT Ind Ord	661.0	671.3	556.8
FT-A All-share	414.18	418.99	319.24
FT-A 500	448.11	453.84	340.76
FT-A Ind	420.08	425.70	313.81
FT Gold mines	548.0	559.7	233.0
FT Govt secs	81.40	81.40	68.30
TOKYO			
Nikkei-Dow	8195.14	8170.13	6889.53
Tokyo SE	603.88	602.26	520.70
AUSTRALIA			
All Ord.	510.4	514.0	465.9
Metals & Mins.	470.8	477.9	330.3
AUSTRIA			
Credit Aktien	52.26	52.24	53.73
BELGIUM			
Belgian SE	111.29	111.04	91.57
CANADA			
Toronto			
Composite	2116.9	2136.1	1548.7
Montreal			
Industrials	359.95	362.91	270.98
Combined	352.70	355.45	260.52
DENMARK			
Copenhagen SE	122.74	122.97	95.74
FRANCE			
CAC Gen	111.2	111.2	102.6
Ind. Tendance	118.7	116.9	114.3
WEST GERMANY			
FAZ-Aktien	267.37	264.84	233.0
Commerzbank	865.4	857.6	710.2
HONG KONG			
Hang Seng	1007.26	1024.07	1191.76
ITALY			
Banca Comm.	203.73	202.61	207.08
NETHERLANDS			
ANP-CBS Gen	118.3	118.3	84.2
ANP-CBS Ind	101.2	101.1	67.6
NORWAY			
Oslo SE	147.63	147.76	100.61
SINGAPORE			
Straits Times	851.08	852.95	695.62
SOUTH AFRICA			
Golds	718.4	743.2	426.7
Industrial	842.5	841.1	581.1
SPAIN			
Madrid SE	108.85	107.99	125.96
SWEDEN			
J & P	1287.31	1296.89	609.85
SWITZERLAND			
Swiss Bank Ind	307.3	307.4	244.7
WORLD	Mar 16	Prev	Yr ago
Capital Int'l	163.8	164.8	129.3

GOLD (per ounce)

	March 17	Prev
London	$415.50	$419.50
Frankfurt	$416.75	$419.25
Zürich	$416.25	$418.75*
Paris (fixing)	$425.26	$432.93
New York (March)	$419.8	$418.10

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR March 17	U.S. DOLLAR Previous	STERLING March 17	STERLING Previous
£	1.5020	1.5080	–	–
DM	2.3870	2.3830	3.58¾	3.59½
Yen	239	237.40	359¼	358
FFr	6.90½	6.85	10.37	10.32¼
SwFr	2.0575	2.0525	3.09¼	3.09½
Guilder	2.6615	2.6450	3.99½	3.99
Lira	1427½	1415	2146	2132½
BFr	46.90	46.66½	70.45	70.25
C$	1.2220	1.2240	1.8365	1.8440

INTEREST RATES

Euro-currencies (three month offered rate)	March 17	Prev
£	10¹¹⁄₁₆	10⅝
SwFr	3¹⁵⁄₁₆	3⅞
DM	5⅟₁₆	5⁵⁄₁₆
FFr	40	42
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅜	9⁵⁄₁₆
6-month U.S.$	9½	9½
U.S. Fed Funds	8⅝	8¾
U.S. 3-month CDs	8.80	8.80
U.S. 3-month T-bills	8.34	8.27

U.S. Treasury Bonds

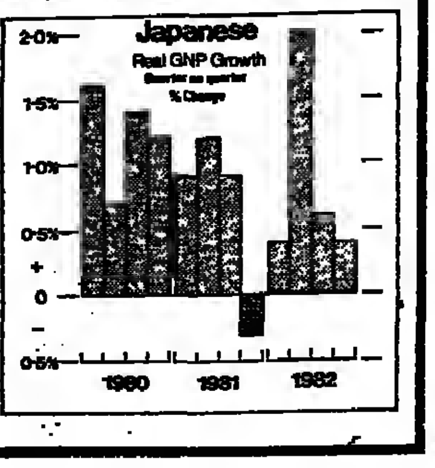
	March 17 Price	March 17 Yield	Prev Price	Prev Yield
9⅝ 1985	99²⁹⁄₃₂	9.73	100⅝₂	9.53
10½ 1990	100¹⁵⁄₃₂	10.42	100²⁴⁄₃₂	10.33
10⅞ 1993	102⅝₂	10.52	102¹⁵⁄₃₂	10.45
10⅜ 2012	97⁷⁄₁₆	10.65	97²⁴⁄₃₂	10.61

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% $100,000 32nds of 100%				
June	75–11	75–22	75–08	75–17
U.S. Treasury Bills (IMM)				
$1m points of 100%				
June	91.47	91.64	91.46	91.65
Cert Deposit (IMM)				
$1m points of 100%				
June	90.76	90.86	90.75	90.88
LONDON	**Latest**	**High**	**Low**	**Prev**
Three-month Eurodollar				
$1m points of 100%				
June	90.55	90.58	90.54	90.63
20-year Notional Gilt				
£50,000 32nds of 100%				
June	104–25	104–28	104–05	104–13

LONDON COMMODITY MARKETS

	March 17	Prev
Silver (spot fixing)	706.85p	718.15p
Copper (cash)	£1052.50	£1056.75
Coffee (March)	£1825.00	£1731.00
Oil (spot Arabian light)	$28.40	$28.50



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
31⅞	12⅞	Walgrn	s 60 2 6 16	626	30½	29⅞	30⅛	−⅜
55¼	27½	WalCSv	.72 1 4 16	14	52¾	51¾	52	−⅛
38¾	16	WaltJm	1 2 6 15	823	38¾	37⅞	38¼	+½
10	8¾	WaltJ	pf 1 11	z10	9	9	9	
50⅞	24¾	Warnac	1 40 2 9 9	5	48	48	48	
58⅝	27	WmCm	1 3 5 7	2561	28⅞	28¼	28½	−⅛
33⅞	19⅝	WarnrL	1 48 4 4 14	795	32	31½	31⅞	+⅛
31¼	24	WashGs	2 76 10 8	23	26⅝	26⅛	26½	
25½	14¾	WshNat	1 08 4 6 11	508	24⅛	23½	23½	−½
22¼	17⅞	WshWt	2 48 11 7	148	22	21½	21⅞	
61⅞	36½	Waste	.52 9 24	622	59	58⅝	58⅞	−⅛
69½	22⅞	Watkn	.60 1 0 19	72	63¼	62⅛	63	+⅛

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (73)

BRITISH FUNDS (1)
Exchq. 10½pc '86 (£25pd)

AMERICANS (4)
Colgate | Rep. NY Cor.
Esmark | Woolworths

CANADIANS (1)
Tor. Dom. Bank

BANKS (3)
Brown Shipley | Deutsche Bank
Commerzbank

BREWERS (1)
Clark (M.)

BUILDINGS (4)
McLaughlin & Harvey | Roberts Adlard
Nottingham Brick | Turriff

CHEMICALS (2)
Hoechst | Rentokil

ELECTRICALS (10)
Feedback | Philips Finance 5¼pc
Ferranti | Systems Designers
Fujitsu | Telefusion
Memec | Telefusion A
Nippon Elect. | Thorpe (F. W.)

ENGINEERING (9)
Anderson Strath. | Evered
Ash & Lacy | Hopkinsons
Cartio Eng. | Senior Eng.
Cartwright (R.) | Thyssen
Drake & Scull

FOODS (1)
Banks (Sidney C.)

HOTELS (2)
De Vere Hotels | Queen's Moat

INDUSTRIALS (8)
Applied Computer | Initial
Chubb | Ortiême Int. A
Emhart | Ricardo
Evode | Trafalgar House

INSURANCE (1)
Travelers

MOTORS (3)
Coleman Milne | Gates (F. G.)
Brit. Car Auction

NEWSPAPERS (4)
Collins (William) | Daily Mail A
Collins (William) A | United Newspapers

PROPERTY (6)
Laing Props. 8½pc | Wereldhave
Warner Estate | Wingate

TRUSTS (12)
Caledonia Inv. | Lancashire & Lond.
Cambrian Gen. Cap. | Trans. Oceanic
Camellia | U.S. Deb. Corp.
Crescent Japan | Exco Intl.
Derby Trust Cap. | Mercantile Trans T.
GT Japan | Newmarket 1981

OIL & GAS (1)
Petrocon

OVERSEAS TRADERS (1)
Great Northern

PLANTATIONS (1)
Williamson

NEW LOWS (6)

STORES (3)
Empire Stores | Hollas Group
Grattan

LEISURE (1)
Nimslo

MINES (2)
Wankie Colliery | Balmoral Resources

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Bejam	135	−9
BP	332	—
Carr Boyd	72	−8
Chubb	161	+5
Collins (Wm)	270	+20
Empire Stores	88	+2
Grand Met	336	−7
GKN	158	+2
Lucas Inds	168	−2
Rank Org	144	−2
Steetley	155	−30
TI	168	−2

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 6	June 30	July 11
Apr 18	Apr 29	July 14	July 25

For rate indications see end of Share Information Service

Stocks favoured for the call included Polly Peck, Sound Diffusion, Premier Oil, Wearwell, Charterhall, P & O Deferred, Dunlop, London Brick, Keep Investment Trust, Avon Rubber, Combined Technologies, Barker and Dobson, Rank Organisation, Amour Trust, BSR, Howard Machinery, Turner and Newall, Lennons, Steetley, London and Liverpool and Ladbroke. A put was done in Combined Technologies, while doubles were taken out in London Investment Trust and Barker and Dobson.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Thur March 17 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed March 16 Index No.	Tues March 15 Index No.	Mon March 14 Index No.	Fri March 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (207)	457.87	−1.2	8.62	3.75	14.61	463.42	465.25	460.01	459.77	368.46
2	Building Materials (23)	456.23	−0.4	9.22	4.21	13.11	458.04	462.65	455.00	451.51	351.63
3	Contracting, Construction (30)	815.83	−0.9	11.03	4.09	10.90	822.97	831.09	824.68	822.62	606.28
4	Electricals (32)	1656.85	−1.9	7.29	2.10	17.59	1688.78	1691.48	1672.47	1682.64	1274.32
5	Engineering, Contractors (10)	445.52	−0.9	15.73	6.71	7.78	449.58	446.11	440.34	440.22	493.62
6	Mechanical Engineering (66)	220.65	−0.5	10.28	5.15	12.15	221.84	222.65	219.97	218.97	190.08
8	Metals and Metal Forming (11)	175.35	−0.3	12.37	7.09	9.70	175.83	176.82	174.21	173.25	148.74
9	Motors (18)	96.35	−2.1	8.56	6.52	—	98.41	99.32	97.98	96.50	99.57
10	Other Industrial Materials (17)	426.91	−1.5	7.57	5.10	17.54	433.20	431.17	429.95	429.20	381.54
21	CONSUMER GROUP (200)	414.87	−1.5	10.15	4.32	11.97	421.26	424.75	420.53	421.87	293.35
22	Brewers and Distillers (23)	450.20	−2.4	11.24	4.76	10.86	461.16	467.60	461.32	460.96	290.48
25	Food Manufacturing (21)	345.97	−0.7	13.32	5.48	8.81	348.46	348.91	346.29	347.83	271.37
26	Food Retailing (14)	865.43	−2.6	7.36	2.80	17.09	888.15	893.46	891.17	881.21	606.62
27	Health and Household Products (8)	736.95	−1.5	5.43	2.47	21.84	748.55	750.31	744.28	748.83	389.17
29	Leisure (24)	521.97	−0.4	7.78	4.59	16.80	524.29	522.97	518.89	519.19	441.34
32	Newspapers, Publishing (13)	763.13	+0.3	8.21	4.22	16.26	761.07	754.51	743.45	736.45	517.81
33	Packaging and Paper (14)	163.18	−0.5	14.27	6.87	8.22	163.95	164.36	167.05	169.06	142.57
34	Stores (47)	357.69	−1.1	8.46	3.85	15.67	361.65	366.71	363.28	365.94	260.66
35	Textiles (22)	200.49	−0.4	12.73	5.57	9.41	201.23	201.65	202.40	201.71	172.47
36	Tobaccos (3)	442.77	−3.2	19.78	6.26	5.65	457.19	467.96	462.57	456.54	303.47
39	Other Consumer (11)	383.61	−0.0	5.16	3.60	—	387.09	387.98	387.55	387.67	287.08
41	OTHER GROUPS (79)	336.12	−0.8	9.20	4.91	13.38	338.75	339.29	338.39	335.75	253.25
42	Chemicals (15)	429.54	−1.3	9.27	5.63	13.46	435.25	436.55	435.88	429.45	333.98
44	Office Equipment (6)	104.35	−1.9	8.45	5.17	15.23	106.34	106.69	109.16	110.79	120.61
45	Shipping and Transport (14)	633.68	+0.4	13.48	6.76	8.90	631.34	634.38	626.60	621.94	564.33
46	Miscellaneous (44)	483.43	−0.4	8.24	3.84	14.79	485.58	485.32	483.17	480.85	318.75
49	INDUSTRIAL GROUP (486)	420.88	−1.3	9.49	4.20	12.97	425.70	428.14	424.11	424.29	313.81
51	Oils (14)	758.45	−0.9	16.68	7.71	7.08	765.55	762.70	749.29	739.42	643.61
59	500 SHARE INDEX	448.11	−1.3	10.53	4.71	11.57	453.84	455.82	451.00	450.31	348.76
61	FINANCIAL GROUP (121)	311.87	−1.0	—	5.75	—	315.01	317.47	316.22	314.75	257.33
62	Banks (6)	344.86	−2.0	26.42	7.36	4.15	351.08	357.74	355.96	353.67	275.71
63	Discount Houses (8)	311.72	—	—	7.83	—	311.73	312.34	308.12	306.86	234.38
65	Insurance (Life) (9)	383.61	−1.3	—	5.83	—	388.69	392.24	390.47	389.36	257.93
66	Insurance (Composite) (10)	197.85	−1.0	—	7.33	—	199.83	199.33	198.49	196.75	165.89
67	Insurance Brokers (7)	579.16	−0.8	11.53	4.95	12.01	584.10	586.10	572.81	572.73	441.92
68	Merchant Banks (13)	161.98	+0.2	—	5.33	—	161.65	161.12	161.15	162.11	144.83
69	Property (54)	470.37	−0.3	5.49	3.81	24.07	471.75	474.48	472.88	471.89	457.14
70	Other Financial (14)	249.11	−0.2	11.29	4.80	10.51	249.56	252.08	252.35	250.47	180.20
71	Investment Trusts (109)	413.18	−0.3	—	4.13	—	414.51	415.30	414.39	413.36	291.70
81	Mining Finance (4)	249.30	−1.0	7.35	5.70	18.99	251.87	255.36	254.35	252.02	208.57
91	Overseas Traders (16)	437.07	−0.4	9.35	8.32	15.27	438.60	442.20	441.47	438.75	378.95
99	ALL-SHARE INDEX (750)	434.18	−1.1	—	4.90	—	438.99	421.13	437.41	436.47	319.24

FIXED INTEREST

	PRICE INDICES	Thur March 17	Day's change %	Wed March 16	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.70	+0.05	117.64	—	1.97
2	5-15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	—	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	—	[illegible]
6	Debentures and Loans	[illegible]	[illegible]	[illegible]	—	[illegible]
7	Preference	[illegible]	[illegible]	[illegible]	—	[illegible]

	AVERAGE GROSS REDEMPTION YIELDS		Thur March 17	Wed March 16	Year ago (approx.)
	British Government				
1	Low	5 years	9.84	9.82	12.23
2	Coupons	15 years	10.21	10.19	12.81
3		25 years	10.19	10.18	12.59
4	Medium	5 years	11.28	11.30	14.15
5	Coupons	15 years	11.02	11.03	13.83
6		25 years	10.58	10.56	13.38
7	High	5 years	[illegible]	[illegible]	[illegible]
8	Coupons	15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	37	23	38
Corpns. Dom. and Foreign Bonds	15	4	58
Industrials	168	398	776
Fin. and Props.	81	141	315
Oils	16	39	55
Plantations	3	4	15
Mines	1	93	58
Others	29	78	59
Totals	320	778	1,373

FINANCIAL TIMES STOCK INDICES

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 11	Mar. 10	year ago
Government Secs.	81.40	81.40	81.88	81.34	80.78	81.38	68.90
Fixed Interest	83.14	83.14	83.38	83.70	82.49	83.70	68.90
Industrial Ord.	661.0	671.3	675.0	665.6	663.5	670.2	356.8
Gold Mines	548.0	550.7	587.0	601.3	590.6	607.8	233.0
Ord. Div. Yield	4.88	4.79	4.78	4.89	4.86	4.79	5.65
Earnings, Yld.% (full)	10.25	10.06	10.04	10.14	10.17	10.07	10.55
P/E Ratio (net) (*)	11.79	12.01	12.04	11.92	11.88	12.00	12.16
Total bargains	28,449	26,672	24,213	23,028	25,078	24,068	12,901
Equity turnover £m.	—	219.97	226.87	206.53	246.82	278.13	118.28
Equity bargains	—	20,147	20,845	22,851	21,853	22,628	15,958
Shares traded (ml)	—	148.6	164.9	195.0	154.2	171.5	81.3

10 am 665.5. 11 am 666.3. Noon 663.7. 1 pm 663.3.
2 pm 661.3. 3 pm 661.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.
Nil = 11 02.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.64	31.89	127.4	49.18
Fixed Int.	[illegible]	[illegible]	[illegible]	[illegible]
Ind. Ord.	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines	[illegible]	[illegible]	[illegible]	[illegible]

S.E. ACTIVITY

	Mar. 16	Mar. 15
Daily Gilt Edged Bargains	218.0	208.4
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]
5-day Average Gilt-Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]

NEW YORK AND CANADA

Indices

NEW YORK – DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

RISES AND FALLS

Falls	[illegible]	834	715
Unchanged	377	373	406

MONTREAL

	Mar 17	Mar 16	Mar 15	Mar 14	1982-83 High	1982-83 Low
Industrials	358.95	362.91	365.45	343.82	368.59 (15/2/83)	249.68 (21/6/82)
Combined	352.7	356.45	357.11	343.41	360.0 (7/3/83)	237.27 (21/6/82)
TORONTO Composite	2116.9	2136.1	2148.4	2154.1	2170.0 (7/3/83)	1355.7 (21/6/82)

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 33

[illegible]

مكتبة الأصل

S. Africa's maize crop estimate well down

By Bernard Simon in Johannesburg

SOUTH AFRICA'sS 1983 maize crop will be the smallest for 10 years and well below domestic needs, according to Agriculture Department's crop estimate given yesterday.

The forecast is for a crop of 4.7m tons, compared with 8.3m tons last year and the record 1981 harvest of more than 14m tons.

A drought has wilted plants in most growing area and only in parts of the Western Transvaal is a reasonable harvest expected.

Domestic maize consumption is about 6.5m tons a year, but it could rise as the drought forces farmers to use maize as animal feed.

Carryover stocks from last season are estimated at around 1.2m tons, leaving a substantial shortfall which will probably have to be made up by imports.

All maize exports have been stopped and until last year South Africa was the world's fifth largest maize exporter, shipping 5.5m tons in 1981-82.

Trading changes

THE London Potato Futures Association has extended the period during which trading and tendering is allowed. Trading in respect of a delivery month is now allowed up to noon of the last day of that delivery month and tendering up to 2 pm on the same day.

Course to start

THE Commodities Educational Institute is organising its first commodity brokers school in London, on Monday. It is being held at the New Hall, City University. Details from, Brian Reldy and Associates, 01-626 1828.

Pig farmers lobby MPs in call for aid

BY RICHARD MOONEY

MORE THAN 500 angry pig farmers from all over the UK descended on London yesterday to lobby their MPs about the desperate financial plight of many in their sector.

Producers who say they are losing up to £10 on every pig they send to market have been angered by the attitude of Mr Peter Walker, the Agriculture Minister. Replying to an earlier cry for help he told them their problems were of their own making because they had raised production too high and that they must put their own house in order.

The National Farmers' Union drew up a six-point list of demands for farmers to press on the MPs but most speakers at a pre-lobby meeting were keenest on a call for a feed incorporation subsidy under which surplus cereals would be sold cheaply to feed manufacturers instead of being disposed of through subsidised exports.

But Mr Walker had already ruled out this possibility. Speaking at another function in London yesterday he explained that such a premium would have to be available for all livestock feed throughout the EEC and the cost would, therefore, be out of all proportion to the benefits.

He thought the remedy for the pig sector's problems was to bring supplies back into line with demand as quickly as possible.

The protesting pig farmers were more anxious, however, for a reduction in their production costs and for an end to what they see as discriminatory treatment as compared with other farming sectors.

Most of their anger yesterday seemed to be directed against "feather-bedded" cereal growers in general and Mr Chris Righton, deputy president of the NFU in particular.

One speaker said that the value of one bacon pig was equivalent to the cost of one tonne of barley when Britain entered the Community. He added: "Now we have to sell two baconers to buy one tonne of barley."

Another, who produced cereals himself as well as pigs and poultry, said cereals prices could "come down £20 a tonne tomorrow—that's a realistic price for them."

But he warned the grain farmers not to be complacent. He said: "The EEC is leading to the destruction of agriculture in this country. The pig sector is only the first."

Devon pig farmer Mr Robert Percy won loud applause as the first speaker to call for a cut in grain prices and even louder applause when he said the NFU needed "a leadership which does not have a vested interest in keeping grain prices high"—a clear reference to Mr Righton, himself a substantial cereals farmer.

In between repeated appeals for solidarity from Sir Richard Butler, the president, speaker after speaker took up the cry against the preferential treatment they thought the grains sector enjoyed.

Mr Bill Gollop, chairman of the Kent NFU pigs committee, said pig producers were told they could not have proper price support under the EEC's Common Agricultural Policy because it would lead to large surpluses. But he noted that the cereals sector, which had been in surplus for some time, was given ever higher support prices.

Mr Butler had told the meeting earlier: "We are not going to get massive money. But we do want help, and we want it now."

● ESS-Food, the marketing arm of the Danish Bacon Factories Export Association, yesterday announced a reduction of £45 per ton in the first-hand price of Danish bacon. It said this meant that the first-hand price of Danish bacon (now £1,295 per ton) had come down £175 per ton (12 per cent) in the last two months, equivalent to an average reduction of 8p per lb across a whole bacon side.

Figures show the sorry state of the industry

BY DAVID RICHARDSON

THE SORRY state of the British pig industry is revealed in statistics prepared by the Agricultural Economics Unit of Cambridge University. The figures, based on records kept by 150 pig producers in the Eastern Counties, make grim reading.

Using average pig growth rates and performance levels recorded over all herds in the scheme last year the figures have been updated to account for current feed costs and market returns.

They show that 50 kilo dead weight pork pigs worth about £45 per head, are making losses of £4.97. Cutter pigs killing out at 65 kilos and valued at £55 are showing a loss of £7.79; while baconers, which usually benefit from the security of a supply contract, are doing a little less badly. They are losing £3.45 per pig against a market value of about £70.

Predictably, these losses are being reflected in the amount pig fatteners are prepared to pay breeders for 25 kilo weaners. Auction prices have fallen to £22 at best for weaners which have cost £25.29 to produce.

The Cambridge calculations take no account of interest on borrowed money; neither is an allowance made for herd management. The figures used are averages only and it may be safely assumed that while some farmers in the survey will be losing less, others will be recording losses at least twice as high as those stated.

The feed pig price ratio—that is the number of kilos of feed required to equal in value one kilo dead weight of pig—has fallen to 5.5, the lowest it has been since the survey started in 1967.

Notwithstanding a slight upturn in pig prices in recent days feed prices are rising even faster and the overall trend of worsening returns remains. Bob Ridgeon who runs the Cambridge costings scheme says 1983 will almost certainly be the worst he has ever experienced.

Several factors have caused the crisis. Most basic is that there are just too many pigs, and that is the pig industry's fault. The fact remains that after three years of mediocre returns, a year ago pig farmers suddenly found themselves making profits and predictably some decided to expand.

The extra breeding females selected at that time would have been put to the boar during the summer of 1982; given birth four months later; and their progeny are just coming for slaughter. The profits of last spring did not last beyond May, however, and by that time the pigs' breeding processes had progressed beyond recall.

A glut of other types of meat has also affected pork—always the housewife's third choice after beef and lamb. New Zealand lamb in particular has been readily available at cut prices for months and although on the face of it the profits of English lamb producers might be expected to be worst hit, the EEC's sheep meat regime has protected their returns at high levels. It has also led to a large expansion of English lamb production which will further exacerbate pig farmers' problems.

But even more basic to those problems is the high price of cereals on which pig feeds are based and which account for 85 per cent of pig production costs. The EEC intervention price for cereals has virtually kept up with cost inflation through the 1970s.

New techniques have led to higher yields until now it is possible to sell grain into intervention and make good profits. The original aim of intervention was as a market of last resort at prices which would allow grain growers to break even. Now it is often the best price available.

All of which, to say the least, is intensely frustrating for British pig producers. Indeed it threatens to split the farming industry in spite of frantic attempts by the NFUs to maintain some kind of unity. For pig producers enjoy no such generous EEC protection. Apart from limited and largely ineffective aid for private storage of pig meat to keep some stocks off markets during periods of poor prices pig farmers have no guarantees.

Various possible remedies have been proposed by pig farmers to improve their parity with other sectors of agriculture. These include a subsidy on grain incorporated into animal feeds, and a pig price stabilisation scheme to give temporary aid during bad times and part funded by producers themselves. To date, Peter Walker, Agriculture Minister, has responded by telling them to improve their marketing. But as yesterday's demonstration in London showed they want something more tangible from him than that.

Coffee prices jump to three-year high

BY JOHN EDWARDS, COMMODITIES EDITOR

COFFEE PRICES jumped on the London futures market yesterday to the highest level since November 1979. A threatened shortage of immediately available supplies forced the March position up by £90 to £1,821 a tonne and the key May position closed £69.5 up at £1,832 a tonne.

However, there were modest gains in more distant months—July was only £26.5 higher at £1,660.

The differentials in the price increases illustrated the reason for the sharp rise in nearby values—a potential squeeze on supplies to the market with about 8,000 lots (of 5 tonnes each) outstanding.

The deal worked out by the International Coffee Council last week to confirm withdrawal of 500,000 bags (of 60 kilos each) export quotas to compensate for the resignation of Hungary and Israel from the Agreement means that extra pressure on supplies available is likely. Some traders predict that a rise to £2,000 a tonne is possible in the near future as the scarcity of available supplies tightens.

Yesterday's sudden rise in the futures market was largely technical since there has been no change in the fundamental supply-demand situation. A single big buyer in the morning apparently persuaded "short" sellers in the market to cover their positions by matching purchases. After that further buying brought London values into the unusual position of being at a premium to New York prices.

The market is highly artificial since there is no shortage of coffee supplies in the world — indeed there are more than abundant stocks. As a result, prices in countries who are not members of the International Coffee Agreement are around 50 per cent of values in member countries. While this is a testimony to the success of the Agreement in regulating prices, by controlling supplies available through export quotas, it means that surpluses are continuing to build up in producer countries which could eventually threaten the whole stability of the pact.

Sugar values rise on Cuban flooding fears

BY OUR COMMODITIES STAFF

WORLD SUGAR values rose on the London terminal market yesterday following reports of flooding damage to cane fields in Cuba.

On the futures market the August position closed at £121.65 a tonne, £2.40 higher than the previous close.

Reuter reported from Havana that rain storms had caused serious damage to sugar

Torrential rains in the past two months have already wrecked hopes in Cuba of equalling last year's output of 8.2m tonnes. Earlier this month Cuban officials forecast that production would be at least 1m tonnes below target.

The London daily price for raw sugar was cut by £2 to £104 in the morning, but sentiment on the futures market was boosted by a "constructive" price paid by a UK merchant for Dominican raw sugar.

Reuter reports from Kampala—The International Finance Corporation (IFC) agreed to lend $8m for rehabilitation of the sugar estates and industrial complex at Lugazi, 29 miles east of Kampala, said Bhagwathi Shah, financial director of the Sugar Corporation of Uganda.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 17 1983	+ or —	Month ago
Metals			
Aluminium	£810/818	....	£816/816
Free Mkt	$1250/1280	—15	$1260/1280
Copper			
Cash h grade	£1052.5	—4.25	£1080
3 mths	£1065.75	—4.0	£1116.25
Cash Cathode	£1033.5	—4.75	£1061
3 months	£1065.5	—5	£1090.75
Gold troy oz	$415.5	—4	$504
Lead Cash	£292	—2	£308
3 months	£303.25	—2.125	£310.75
Nickel	£4611	....	£4384
Free mkt	256/266c	+5	202/252c
Palladium	$99	....	$124.25
Platinum	£268.00	+1.45	£308.75
Quicksilver†	$330/340	....	$330/340
Silver troy oz	706.85p	—11.30	947.40p
3 mths	724.60p	—11.50	971.55p
Tin cash	£9012.5	—9	£8500
3 month	£9030	—11.5	£8492.5
Tungsten	$77.97	....	$78.78
Wolfsm 22.04 lb	$86/88	....	$80/85
Zinc Cash	£448.5	+1	£443
3 mths	£460.25	+0.75	£458.125
Producers	$750	....	$750/800

	Mar. 17 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$480y	....	$460
Groundnut	$435y	....	$445
Linseed Crude	‡	....	£519
Palm Malayan	$375x	....	$377.5
Seeds			
Copra Philip	$325y	....	$310
Soyabean (U.S.)	$243.8	+5.6	$243
Grains			
Barley Fut. May	£121.45	+0.46	£110.65
Maize	£147.00	....	£148.00
Wheat Fut. May	£135.50	+0.45	£151.90
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1293	—11	£1343
Fut. May	£1207.5	—11	£1511
Coffee Ft. May	£1832	+69.5	£1633
Cotton A. Index	78.60c	+0.65	74.30c
Gas Oil Apr.	$228.25	—4.25	$235.5
Rubber(kilo)	72p	....	66.70p
Sugar (Raw)	£104yz	—2	£118
Wool't'ps 64s	405p kilo	....	402pkilo

‡ Unquoted. x April. y March-April. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.40	—0.10
Iranian Light	25.75-27.75	+0.15
Arabian Heavy	26.10-26.50	—
North Sea (Forties)	28.00-28.05	—
North Sea (Brent)	28.05	—
African(Bonny Lt)t.	28.50	+0.85
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	273-277	— 0.5
Gas oil	235-241	— 8.0
Heavy fuel oil	157-160	+ 0.5

GAS OIL FUTURES

Continuing weakness on physicals brought the market in about $4.00 lower despite a steady New York close. Prices continued to weaken throughout the morning steadying later in line with New York, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	230.50	—5.00	251.00-30.00
April	228.25	—4.25	230.00-27.00
May	225.25	—5.25	228.50-23.50
June	223.00	—5.50	224.50-21.75
July	223.75	—2.00	224.25-22.00
Aug	224.70	—5.25	226.25-24.50
Sept	226.25	—5.25	227.25-25.50
Oct	228.00	—2.50	228.50-27.00
Nov	230.75	—4.25	—

Turnover: 3,626 (2,380) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4 to $415-416 in the London bullion market. It opened at $418-419½, the highest level of the day, and was fixed at $416.75 in the morning, and $416.50 in the afternoon. The metal touched a low of $413-414.

In Paris the 12½ kilo gold bar was fixed at FFr 94,000 per kilo ($425.26 per ounce) in the afternoon, compared with FFr 93,500 ($423.93) in the morning, and FFr 95,000 ($432.93) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,010 per kilo ($418 per ounce), against DM 32,630 ($425.01) previously and closed at $416-417½, compared with $418½-420.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $417 per ounce, against $425.50.

In Zurich gold finished at $415½-416½, compared with $419½-420½.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
March	414.00-14.8	—5.350	418.00
April	410.00-16.5	—5.200	419.40-14.6
May	418.00-18.8	—5.800	—
June	422.10-22.5	—5.050	425.00-61.5
July	425.00-25.7	—5.400	—
August	428.00-29.0	—5.900	430.50-28.0
Sept	431.00-32.0	—6.000	433.70-31.0

Turnover: 1,100 (1,085) lots of 100 troy ounces.

	Mar. 17		Mar. 10	
Gold Bullion (fine ounce)				
Close	$415-412	(£275¾-276¼)	$419-480	(£277½-278¼)
Opening	$418½-419½	(£277¾-278½)	$427½-428½	(£282½-283¼)
Morning fixing	$416.75	(£276.451)	$424.00	(£281.037)
Afternoon fixing	$416.50	(£276.249)	$419.00	(£278.128)

Gold Coins Mar. 17					
Krugrnd	$429-430	(£284¼-285¼)	King Sov	$102-104	(£67½-00)
½ Krg	$220½-221½	(£146½-147½)	Victoria Sov	$102-104	(£67½-68)
¼ Krg	$112¼-110¼	(£74½-75¼)	French 20s	$82.5-89.7	(£54¾-58½)
1/10 Krug	$45½-46½	(£30¼-31)	50 pesos Mex	$4M.2-505.8	(£331½-335¼)
Mapleleaf	$427-433	(£284-285)	100 Cor. Aust	$401.8-408.2	(£267¼-270¼)
New Sov	$98-98¾	(£65-65½)	$20 Eagles	$569.0-579.0	(£385⅞-379½)
½ New Sov	$56-60	(£38¼-40)			

EUROPEAN MARKETS

ROTTERDAM, March 17.

Wheat—(U.S. $ per tonne): U.S. No. Two Red Winter, April 165, May 156, June 150, July 149. U.S. No. Three Amber Durum, April/May 174, May 114 June 178, July 176. U.S. No. Two Northern Spring 14 per cent, April 173.50, May 173, June 173, July 172.50, Aug 174. Canadian Western Red Spring, April/May 189.75, July 191.50.

Maize—(U.S. $ per tonne): U.S. No. Three Yellow, afloat aft Ghent 126.50, March 135, April 134.50, May 135.50, June 137, April/June 135.75, July/Sept 137, Oct/Dec 134.75, Jan/March 140 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports, March 237.50, April 237.75, May 239.30, June 241.70, July 238.90, Aug 246.20, Sept 248.50, Oct 247.50, Nov 247.50, Dec 251.50, Jan 256.90, Feb 259.75 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent, afloat 208, March 208, April 210, April/Sept 213 Nov/March 230 sellers. Pellets Brazil, loading 220, April 217, May 216.50, April/Sept 217 sellers.

PARIS, March 17.

Cocoa—(FFr per 100 kg): Mar 1350/1390, May 1425/1428, July 1430 bid, Sept 1480/1480, Dec 1500 bid, Mar 1505 bid, May 1515 bid.

Sugar—(FFr per tonne): May 1556/1574, July 1635/1655, Aug 1650/1665, Oct 1680/1690, Nov 1680/1690, Dec 1745/1760, Mar 1846/1860, May 1900/1915.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were little changed on the London Metal Exchange. Nickel made further strong progress and rose to £3,520 on renewed speculative buying before profit-taking pared the price to £3,470. Buffer stock support sustained Tin around the £9,032.5 level while Copper fell to £1,081 on stop-loss selling before rallying to close the late kerb at £1,085.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1058.5-3	+1.25	1052-3	—4.25
3 months	1083-.5	—.5	1083.5-4	—4.5
Settlem't	1053	+1	—	......
Cathodes				
Cash	1029-30	—4	1033-4	—4.75
3 months	1061-2	—3	1065-4	—5
Settlem't	1030	—4	—	
U.S. Prod.	—	—	*79-83	......

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,081, 80, 78, 79, 80 81, 80.50, 81, 82, 83, 84, 85, 84.50, 84, 83.50. Cathodes: Cash £1,030, three months £1,062. Kerb: Higher Grade, three months £1,082.50, 83. Afternoon: Higher Grade, three months £1,083, 82.50, 82, 83.50 84. Cathodes: Three months £1,063. Kerb: Higher Grade, three months £1,084, 83, 83.50, 84, 85. Turnover: 21,650 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9015-25	—2.5	9010-5	—8
3 months	9040-5	+8.5	9035-7	—11.5
Settlem't	9025	......	—	......
Standard				
Cash	9015-25	+4	9010-5	—8
3 months	9040-5	+6.5	9036-7	—11.5
Settlem't	9025	—8	—	......
Straits E.	$30.02	+0.08	—	......
New York				

Tin—Morning: Standard, three months £9,040, 46, 40, 43. Standard: Kerb three months £9,040. Afternoon: Standard, three months £9,040, 35, 38, 39, 40. Kerb: Standard, three months £9,035, 30, 31, 30. Turnover: 3,030 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	290.5-1.5	—.75	291.5-2.0	—2
3 months	302-3	—1	303-.5	—2.12
Settlem't	281.5	—.5	—	......
U.S. Spot	—	......	—	......

Lead—Morning: Cash £291, three months £304, 03.50, 03, 02.50, 02, 02.50. Kerb: Three months £303, 03.50. Afternoon: Three months £303, 03.50, 03. Kerb: Three months £303, 02.50, 02. Turnover: 7,275 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	446.5-7	—.0	448-8	+1
3 months	461.5-2	—.0	463-.5	+.15
Settlem't	447	—.5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Three months £462, 61.50, 61, 61.50. Kerb: Three months £461.50, 62, 62.50. Afternoon: Three months £462, 61.50, 62.50. Kerb: Three months £463, 64, 64.50, 64, 63.50. Turnover: 9,950 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	827-8	—18	829.5-7.5	—12
3 months	853.5-4	—18.5	853-4	—12

Aluminium—Morning: Three months £853, 53.50, 54, 54.50, 54, 53.90, 53, 54, 54.50, 55, 55.50, 54.50, 55, 54, 53.50. Kerb: Three months £854, 53.50, 54. Afternoon: Three months £853, 52, 51, 52, 52.50, 53, 53.50, 54, 56, 55, 54, 53, 52.50, 53, 54. Kerb: Three months £854, 53, 54, 54.50. Turnover: 28,950 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3415-25	+100	3400-10	+12.5
3 months	3485-90	+100	3465-10	+87

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Three months £3,490, 3,500, 3,495, 80, 95, 85. Kerb: Three months £3,490, 95, 3,600. Afternoon: Three months £3,500, 3,495, 90, 85, 80, 72, 71, 74, 70. Kerb: Three months £3,470, 75, 70. Turnover: 3,348 tonnes.

SILVER

LME—Turnover 138 (139) lots of 10,000 ozs. Morning: Three months 721.5, 21.6, 21.0, 22.0. Kerb: Three months 722.5, 23.5. Afternoon: Three months 726.0, 24.0, 23.0. Kerb: Three months 723.0, 22.0, 23.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	706.85p	—11.8	704.75p	—6.75
3 months	724.60p	—11.5	723.35p	—7.48
6 months	742.10p	—12.3	—	......
12 months	776.00p	—20.9	—	......

Silver was fixed 11.3p an ounce lower for spot delivery in the London bullion market yesterday at 706.85p. U.S. equivalents of the fixing levels were: spot $10.642, down 19.8c; three-month $10.876, down 19.0c; six-month $11.12, down 20.6c; and 12-month $11.613, down 21.7c. The metal opened at 705-708p ($10.63-$10.68) and closed at 704-707p ($10.60-$10.65).

COCOA

Prices remained under pressure throughout the day from both the trade and commission houses and from New York arbitrage selling. Physical business even at these lower levels remains relatively neglected, reports Gill and Duffus.

COCOA	Yest'day's Close	+ or —	Business Done
	£ per tonne		
March	1242-44	—14.5	1256-41
May	1251-58	—11.0	1275-51
July	1270-11	— 7.5	1287-61
Sept.	1284-85	— 1.6	1300-82
Dec.	1304-05	—10.0	1319-00
March	1016-18	—18.0	1028-14
May	1326-31	—14.0	1341-28

Sales: 5,807 (9,329) lots of 10 tonnes.

ICCO—Daily price for March 18: 83.94 (87.40). Indicator prices for March 11: 86.60 (87.45).

COFFEE

Prompted by heavy buying from one particular quarter March and May surged through previous contract highs in hectic trading, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
March	1817-25	+90.0	1825-35
May	1831-00	+00.5	1850-01
July	1055-57	+22.5	1665-07
Sept.	1690-02	+14.5	1509-75
Nov.	1538-40	+13.0	1552-30
January	1485-00	+9.6	—
March	1450-70	+14.5	1457-40

Sales: 7,939 (3,695) lots of 5 tonnes.

ICO Indicator prices for March 10 (U.S. cents per pound): Comp. daily 1979 122.85 (123.70): 15-day average 122.57 (122.54).

GRAINS

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar	100.85	+1.15	120.80	+0.30
May	135.50	+0.45	121.45	+0.46
July	157.05	+0.88	—	—
Sep	117.10	+0.05	110.75	+0.15
Nov	119.30	—0.10	110.90	+0.10
Jan	122.60	+0.10	111.80	+0.10

Business done — Wheat: March 133.85-3.55, May 135.60-5.30 July 137.85-7.30, Sept 117.25 only, Nov 119.50-9.30, Jan 122.60 only. Sales: 225 lots of 100 tonnes. Barley: March 120.80-20.50, May 121.50-1.15, Sept 116.80-16.70. Nov untraded, Jan 117.20 only. Sales: 71 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 124.40, S. West 123.70, W. Mids 121.00, N. West 120.50. The UK monetary coefficient for the week beginning Monday March 21 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent April 126.75, May 128.50, June 125.75, July 125.50 transhipment east coast sellers. English feed fob May 136.50 east coast. Maize: French Mar 141 transhipment east coast. Barley: English feed fob Mar/June 125.50 east coast. Rest unquoted. sellers.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Mar seller 419, 410; May 400, 408, 408-407; Aug 422, 425, 428-423; Oct 432, 435, 438-433; Dec 437, 440, 442-438; Jan 439, 441, 442-430; Mar 445, 449, 450-441; May 450, 460, 455; Aug 460, 465, nil. Sales: 199.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 552.0, 554.0, 552.0-549.5; May 568.6, 569.0, 568.0-565.0; July 586.0, 588.0, 588.0-585.0; Oct 577.5, 578.0, 578.0-576.0; Dec 584.5, 585.0, 584.5-584.0; March 597.5, 598.0, 599.0-97.0; May 604.0, 606.0, 603.0; July 615.6, 618.0, 617.0-615.6. Sales: 205.

POTATOES

Selling pressure continued throughout the day, but met buying interest as new contract lows were reached, for prices to stabilise around £1.00-£1.50 down, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	64.00	65.40	65.10-63.60
May	67.90	69.00	68.80-67.50
Nov.	68.00	68.20	68.40-68.00
Feb.	70.80	77.40	—
April	88.50	88.90	88.70-88.50

Turnover: 506 (343) lots of 40 tonnes.

RUBBER

The physical market opened about unchanged attracted little interest throughout the day and closed quietly steady. Lewis and Peat reported a March fob price for No. 1 RSS in Kuala Lumpur of 247.5 (248.0) cents a kg and SMR 20 242.6 (same).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Apr.	730-734	715-730	—
May	730-734	720-730	—
Apl-Jne	701-733	722-727	701
Jly-Sept	759-761	748-750	752-751
Oct-Dec	789-790	778-779	780-782
JanMch	816-818	808-806	810
Apl-Jne	841-844	830-833	841-840
Jly-Sept	869-875	860-862	870-866
Oct-Dec	898-901	885-894	—

Sales: 339 (625) lots of 15 tonnes, nil (1) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 72.00p (same). April 14.50p (same): May 75.50p (same).

SOYABEAN MEAL

The market opened 50p higher on renewed buying interest, reports T. G. Roddick. Prices held steady on a bullish Argentine acreage forecast and trade buying.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	145.90-44.2	+3.M	143.90-42.80
June	145.00-45.3	+1.70	145.25-43.50
August	149.50-46.2	+1.80	148.00-46.40
October	150.00-50.2	+1.55	150.00-48.00
Dec.	155.00-56.0	+2.60	155.20-56.20
Feb.	160.00-61.0	+1.75	158.50
April	101.00-60.0	+1.50	—

SOYABEAN OIL—The market opened $2.00-83.00 higher in dull conditions and continued under pressure on trade selling. Close (US$ per tonne): April 396.00, 398.00, 398.00-395.00; June 409.00, 411.00, 412.00-411.00; Aug 425.00, 427.00, 426.00-423.00; Oct 436.00, 438.00, untraded; Dec 441.00, 454.00, u/t; Feb 455.00, 457.00, u/t; April 456.00, 461.00, u/t. Sales: 62 (10) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £104.00 (£100.00) a tonne cif March-April-May shipment. White sugar £141.00 (£143.00).

First trades were around overnight levels but prices soon improved in thin trading conditions. Reports of flooding in Cuba stimulated further buying and quotations rose quickly before profit-taking pared the gains at the close, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	114.45-14.50	111.90-12.00	115.25-11.90
Aug.	121.65-21.70	119.25-19.30	122.25-19.25
Oct.	127.80-28.00	126.15-26.20	128.25-26.15
Dec.	134.00-34.15	132.25-33.00	134.50-32.00
March	142.75-43.10	141.25-41.75	143.50-41.00
May	147.00-48.M	146.25-48.25	—

Sales: 2,812 (3,397) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £209.00 (£211.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 16: Daily price 5.96 (6.17): 15-day average 6.14 (6.16).

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 77.6 to 82.8. Veal: Dutch hinds and ends 132.0 to 138.6. Lamb: English small 82.0 to 87.3, medium 77.3 to 82.0, heavy 71.0 to 75.0; Imported: New Zealand PL 51.5 to 51.8. Pork: English, under 100lb 33.0 to 50.0, 100-120lb 40.5 to 48.5, 120-160lb 36.5 to 44.6.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.21p per kg lw (+0.06). GB—Sheep 187.56p per kg est dcw (+2.09). GB—Pigs 66.49p per kg lw (−1.64).

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £3.00-£4.00, codlings £2.00-£3.50, large haddock £4.40-£5.00, medium £3.20-£4.50, small £1.70-£2.40; best small plaice £4.20-£4.80; lemon sole (medium) £8.00, (small) £4.50; rockfish £2.80; saithe £1.80-£2.10.

INDICES

FINANCIAL TIMES

Mar. 16	Mar. 15	M'th ago	Y'ar ago
262.14	262.75	258.88	244.20

(Base: July 1 1952=100)

REUTERS

Mar. 17	Mar. 16	M'th ago	Y'ar ago
1710.0	1701.8	1087.0	1583.7

(Base: September 18 1931=100)

MOODY'S

Mar. 16	Mar. 15	M'th ago	Y'ar ago
1055.4	1031.0	1084.8	991.0

(December 31 1931=100)

DOW JONES

Dow Jones	Mar. 16	Mar. 15	Month ago	Year ago
Spot	100.74	187.46	142.20	125.23
Fut'rs	141.34	148.31	151.59	128.16

(Base: December 31 1974=100)

Calabrese—Italian: 10-lb 2.00-3.00. Tomatoes—Canary: 2.50-5.00. Lettuce—Dutch: 24s 3.80-4.80, 12s 2.80. Celery—Spanish: 4.80-8.80; Italian: 5.50-7.00; Israeli: 7.00. Artichokes—Egyptian: 24s 6.50. Aubergines—Canary: 5-kg 5.00-0.00; Dutch: 5-kg 9.50-3.00. Onions—Spanish: Creno 8.40-9.80. Capsicums—Canary: green 1.50-9.00, red 1.00-1.60; Dutch: yellow 14.50, green 0.50, red 15.00; Israeli: red 1.00. Cabbages—Dutch: red 3.00-3.20, white 2.60-2.80. Courgettes—Kenyan: 6-lb 3.40-3.80; Spanish: 10-lb 3.50-4.50; Italian: 13-lb 6.00-6.50. Cucumbers—Canary: 2.50-3.00; Dutch: 3.40-4.00. Chicory—Belgian: 5-lb 2.20-2.40. Potatoes—Egyptian: King Edwards 4.40-5.00; Canary: 25-kg mide 9.50, ware 9.00; Cyprus: 44-lb bag 4.20-5.50. New Potatoes—Jersey: Per pound ware 1.20, mida 1.20. Cauliflowers—French: 24s 5.50-0.00. Fresh Dates—Israeli: 11-lb 9.50.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Oranges — Jamaican: 9.00-0.00. Mandarines—Spania: 4.60-5.20. Karas—Spania: 4.80-5.50. Wilkings—Spania: 5.00-5.50. Minneolas—Jaffa: 4.80-0.50 according to size: Cyprus: 4.90-0.20. Temples—Jaffa: 4.00-6.20. Oranges—Spania: Navels 5.00-6.00; Jaffa: Shamouti 40 5.50, 50 5.80, 60 0.35, 75 8.55, 88 9.85, 100 0.40, 123 9.40, 144 9.25, 168 8.00; Moroccan: Bloods 6.00-6.50. Lemons—Cypriot: 9-kg 2.50-3.80; Spania: tray 5-kg 25/50 1.60-2.00; Jaffa: carton 4.00-5.50. Grapefruits—Cypriot: 23/56 2.80-4.20 Ruby 32/48 5.00-5.80; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 48 5.20, 56 4.75, 64 4.60, 75 4.50, 88 4.35; U.S.: Ruby 8.50-9.00 according to size. Apples—French: 18-kg Golden Delicious 5.00-7.00, Starkcrimson 4.00-8.00, Granny Smith 5.50-7.80; U.S.: Red Delicious 9.50-12.50; Canadian: Red Delicious 9.20-10.00, Spartan 8.00-8.80.

English Produce: Apples—Per pound, Bramley 0.08-0.16, Cox 0.12-0.30, Ida Red 0.00-0.10, Spartan 0.08-0.19, Crispin 0.06-0.16. Pears—Per pound, Conference, 0.12-0.22, Comice 0.15-0.24. Potatoes—Per bag 2.20-3.00. Mushrooms—Per pound, open 0.50-0.70, closed 0.40-0.80. Lettuce—Per tray 1.20-2.00. Onions—Per 55-lb 1.80-2.80. Cabbages—Per 25-lb 1.00-1.50; per 28/30-lb white/red 1.50-2.40. Greens—28-lb. Kent 1.80-2.50; Cornish approx 35-lb 4.00. Brussels Tops—Per 28-lb 1.00-2.00. Sprouts—Per 20-lb 1.00-2.00. Carrots—Per 26/28-lb 1.20-1.60. Turnips—Per 28-lb 1.00-1.80. Swedes—Per 28-lb 0.80-1.20. Parsnips—Per 28-lb 1.20-1.50. Leeks—Per 10-lb 2.00-2.20. Cauliflowers—Kent, 12s 2.00-3.00. Rhubarb—Per pound, Yorkshire 0.24-0.28. Cucumbers—4.00-5.50. Tomatoes—Hothouse, per pound 0.35-0.60. Calabrese—English 10-lb 8.00.

AMERICAN MARKETS

NEW YORK, March 17.

Grains and soyabeans continued their spectacular rally from the previous day with massive short-covering, institutional buying and technical support generated by trend-following systems. concern about a major reduction in acreage has made the markets very bullish. Precious metals recovered in a late rally as lower prices of crude oil quoted by the Soviets appear to be discounted; the recovery has important price implications from a technical point of view. Copper rallied with gold on good commission house support and finished with minor net gains. Heating oil markets were quiet in light trading with prices moderately lower because of lower reported Soviet and British quotes; lower cash quotes in New York were also a contributing factor. Cocoa prices were lower on continued technical selling as well as on arbitrage trades; the day's low price began to attract trade support but was not sufficient to overcome the currency arbitrage. Sugar prices moved swiftly higher as reports of significant damage to the Cuban cane crop appear to be confirmed; local flooding may result in losses of some 1m tonnes. Coffee prices rallied impressively on roaster buying which led to dealer short-covering and speculative buying. Cotton surged as Soviet buying in the U.S. was followed by Japanese buying in the spot position; expectations of bullish results from the cotton payment-in-kind programme attracted trade buying and heavy commission house support, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonne

	Latest	High	Low	Prev
May	1705	1758	1694	1751
July	1720	1786	1706	1783
Sept	1758	1808	1760	1803
Dec	1896	1896	1795	1833
March	1825	1825	1825	1858
May	1860	1860	1860	1883

COFFEE "C" 37,000 lbs. cents/lb

	Close	High	Low	Prev
March	123.05	123.30	122.80	122.10
May	121.72	122.30	121.50	120.83
July	120.75	121.50	120.49	120.17
Sept	118.80	120.35	119.35	119.26
Dec	111.70	119.00	117.00	111.01
March	115.80	116.90	116.50	114.76
May	112.00	—	—	111.60
July	110.00	—	—	109.13

COPPER 25,000 lbs. cents/lb

	Close	High	Low	Prev
March	73.10	73.10	72.60	72.95
April	73.25	73.00	72.55	73.70
May	74.00	74.10	73.30	72.85
July	75.45	75.00	74.80	75.35
Sept	76.80	70.50	76.10	76.70
Dec	78.55	78.70	78.00	78.40
Jan	76.15	79.30	79.40	79.00
March	80.25	80.40	79.80	80.70
May	81.30	81.00	81.00	01.10
July	82.35	—	—	82.20

COTTON 50,000 lbs. cents/lb

	Close	High	Low	Prev
May	74.22	74.40	73.03	72.83
July	73.10	73.50	72.22	71.86
Oct	71.97	72.35	70.90	70.35
Dec	71.35	71.80	70.35	69.92
March	72.48	72.85	71.75	71.08
May	73.20	—	—	71.90
July	74.00	—	—	72.40

GOLD 100 troy oz. $/troy oz

	Close	High	Low	Prev
March	419.9	410.5	415.0	616.1
April	420.8	422.0	414.0	419.5
May	423.7	425.0	416.0	422.4
June	426.7	428.0	419.0	425.4
August	433.0	435.0	426.0	431.7
Oct	439.1	439.0	433.0	438.3
Dec	446.0	447.0	438.0	446.1
Feb	453.5	451.0	445.0	452.0
April	460.6	458.5	456.0	459.1
June	467.9	463.0	463.0	466.4
August	475.4	472.0	472.0	473.9
Oct	483.2	478.0	478.0	481.7
Dec	491.3	486.0	486.0	489.8

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
April	72.00	72.75	72.00	73.03
May	71.54	72.10	71.10	72.40
June	71.33	72.10	71.10	72.36
July	71.47	72.20	71.40	72.70
Aug	72.25	72.70	72.00	73.25
Sept	73.20	74.00	72.80	74.00
Oct	73.90	73.50	73.50	74.75
Nov	74.70	76.25	74.60	75.98
Dec	76.00	76.85	75.60	76.70

ORANGE JUICE 15,000 lb. cents/lb

	Close	High	Low	Prev
March	116.0	110.50	113.05	113.35
May	110.29	120.35	108.70	109.35
July	108.90	109.25	107.50	108.20
Sept	109.90	108.80	107.80	107.95
Nov	100.40	105.05	105.70	105.80
Jan	103.90	104.30	104.00	103.40
March	104.25	104.35	103.80	103.70
May	104.70	—	—	104.50
July	104.70	—	—	104.90

PLATINUM 50 troy oz. $/troy oz

	Close	High	Low	Prev
March	402.2	—	—	404.0
April	403.7	406.0	400.0	405.1
May	404.1	409.5	409.5	407.1
July	410.1	413.2	407.0	413.4
Oct	410.2	420.0	414.0	420.7
Jan	426.0	428.0	425.0	428.4
April	433.9	438.0	435.0	436.2

SILVER 5,000 troy oz. cents/troy oz

	Close	High	Low	Prev
March	1055.3	1070.0	1050.0	1061.7
April	1058.0	1065.6	1054.6	1065.6
May	1066.0	1082.0	1056.0	1673.0
July	1083.5	1099.0	1072.6	1089.7
Sept	1101.2	1113.6	1092.0	1106.7
Dec	1128.2	1143.6	1120.0	1132.2
Jan	1137.2	—	—	1140.7
March	1155.2	1164.0	1148.0	1158.0
May	1173.2	1170.0	1170.0	1176.0
July	1191.2	—	—	1194.0

SUGAR WORLD "11" 112,000 lbs. cents/lb

	Close	High	Low	Prev
May	8.64	8.01	0.43	6.40
July	8.83	6.84	6.70	0.63
Sept	7.15	7.18	1.02	6.98
Oct	7.43	7.45	7.30	7.24
March	8.49	8.50	8.36	8.31
May	8.75	8.75	8.62	8.59
July	8.96	8.93	9.93	9.85

CHICAGO

LIVE CATTLE 40,000 lb. cents/lb

	Close	High	Low	Prev
April	66.52	66.65	65.85	66.17
June	67.30	67.60	00.75	66.82
August	64.90	65.00	64.65	64.90
Oct	61.95	62.05	01.62	62.07
Dec	62.50	63.05	62.70	62.97
Feb	62.80	62.80	62.70	62.95

LIVE HOGS 30,000 lb. cents/lb

	Close	High	Low	Prev
April	50.12	50.70	49.80	50.65
June	53.92	54.25	53.60	54.07
July	54.52	54.95	54.30	54.65
August	52.10	52.90	51.85	52.32
Oct	47.85	48.00	47.50	41.80
Dec	48.00	48.00	47.55	41.15
Feb	57.35	47.35	47.15	47.05
April	46.40	46.45	46.25	46.20
June	46.70	47.00	46.70	46.80

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	287.0	288.0	284.0	234.0
May	295.2	296.8	292.2	292.2
July	302.6	304.0	299.2	298.8
Sept	299.4	300.4	296.0	295.6
Dec	298.2	300.0	297.0	297.2
March	306.0	307.8	305.0	305.0
May	312.0	314.0	311.4	311.2

PORK BELLIES 38,000 lb. cents/lb

	Close	High	Low	Prev
March	72.15	73.75	72.80	73.00
May	74.00	74.90	73.45	14.05
July	73.95	74.50	73.50	74.02
August	72.00	72.60	71.75	72.15
Feb	62.92	63.45	62.82	62.92
March	62.00	62.40	62.00	61.90
May	63.20	63.50	63.10	63.05
July	65.00	65.00	64.40	96.00

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	593.0	597.0	583.0	583.4
May	606.0	609.4	596.0	596.0
July	621.4	624.0	610.0	609.9
August	626.0	628.0	015.4	614.0
Sept	629.0	630.4	621.0	017.4
Nov	639.4	643.0	629.0	629.0
Jan	652.0	655.0	641.4	641.4
March	665.0	666.4	654.0	654.4
May	676.0	676.0	665.4	665.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	176.5	176.1	174.0	173.9
May	180.5	181.2	177.6	177.8
July	184.3	185.0	181.2	181.3
August	186.0	186.5	183.5	183.3
Sept	188.0	188.5	187.0	185.2
Oct	150.6	190.6	187.3	186.5
Dec	194.0	195.0	180.6	180.7
Jan	196.0	197.0	194.0	192.4
March	202.0	202.0	199.0	198.5

SOYABEAN OIL 60,000lb. cents/lb

	Close	High	Low	Prev
March	17.31	17.32	17.15	17.13
May	17.46	17.59	17.36	17.36
July	17.85	17.98	17.78	17.75
August	10.00	18.15	17.95	11.91
Sept	16.15	18.30	18.16	16.03
Oct	18.30	16.47	18.30	18.15
Dec	18.65	16.83	18.55	18.46
Jan	18.80	16.95	16.65	10.65
March	19.15	19.20	19.15	18.93

	Close	High	Low	Prev
March	333.0	333.0	328.0	325.6
May	342.4	434.0	336.4	335.4
July	351.4	351.4	345.2	343.8
Sept	359.4	359.4	356.4	353.9
Dec	373.6	373.6	370.4	369.6
March	384.2	384.2	382.2	381.2

SPOT PRICES—Chicago loose lard 16.00 (same) cents per pound. Handy and Harman silver bullion 1056.6 (1079.0) cents per troy ounce. New York tin 626.00-30.6 (627.0-31.0) cents per pound.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅝	92⅞	Treasury 9¼pc '83	99⅞		9.26	9.61
104⅝	96⅞	Exch 15½pc '83	102	+⅛	13.24	10.29
101¼	91⅞	Exch 10pc 1983	99⅞	+1/16	10.01	10.09
98¼	87⅛	Funding 5½pc '82-84‡‡	97¼	+⅛	5.66	8.97
103¼	91⅞	Exch 11¼pc 1984	101		11.14	10.06
107¼	96¼	Exchequer 14pc 1984	103½		13.49	10.46
94½	81⅛	Exch 3pc 1984	94⅝	+1/16	3.18	7.70
105¼	91½	Treasury 12pc 1984	102xd	+1/16	11.73	10.30
112	96¼	Treasury 15pc 1985	107	+⅛	15.96	10.70
132¼	103⅛	Exch 12pc Cnv '85	104½xd	−⅛	11.48	9.48
91¼	73½	Treasury 3pc 1985	90¼		3.32	7.96
105½	87½	Treasury 11½pc 1985	101⅝	+1/16	11.32	10.68
102	95½	Treas 8¼pc Cnv '85	97	+1/16	9.00	10.02
107⅝	88⅝	Exch. 12¼pc 1985	102⅛	−⅛	11.99	11.06
106⅝	86⅛	Exch. 11¾pc '86	101	−1/16	11.54	11.00
89½	69	Treasury 3pc 1986	87	−⅛	3.45	7.70
27	26	Exch. 10½pc Cv '86 (25pd)	26½	+⅛	10.44	10.27
107¼	86¼	Treasury 12pc '86	102		11.72	11.06
100	80⅛	Treasury 8½pc '84-86‡‡	95½	+⅛	8.90	10.13
176¼	96⅛	Treas. 12¼pc '86 Cnv.	109¼	−⅛	11.21	8.97
114	91⅞	Exch. 14pc 1986	107½	+⅛	12.97	11.29
112	90	Exch. 15¼pc 1987	106		12.42	11.05
84½	83½	Exchequer 2½pc 1987	84	+1/16	2.97	7.17
103½	95⅞	Exch. 10½pc 1987	98⅞xd	+¼	10.62	10.85
30⅛	29	Ex. 10½pc '87A (£30pd)	30	+½	10.63	10.86
93⅛	73⅞	Funding 6½pc '85-87‡‡	90¼		7.20	9.41
85¼	64½	Treasury 3pc 1987	82⅞	−⅛	5.62	7.73
109	85⅞	Treas 12pc 1987	102⅛	+⅛	1.68	11.28
98	72½	Treasury 7¼pc '85-88‡‡	90⅞	−¼	8.54	10.17

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	+ or −	Int.	Red.
98⅞	85¼	Aust. 6pc 1981-83	98¼		6.22	11.15
83¾	57	H 2. 7¼pc 1988-92	75½		9.79	11.94
93½	74¾	Do. 7½pc '83-86	91	+¼	8.41	11.57
167	136	S. Rhod 2½pc Non-Ass.	162		—	—
80	58	Do 3½pc 80-85 Assd	76xd		4.61	15.40
55	32	Do 4½pc 87-92 Assd.	46		10.31	17.00
402	318	Zimbabwe Ann (£100pd)	329xd	+1	—	19.07

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or −	Int.	Red.
77½	57¼	Agric. Mt 5pc '59-89	76¼		6.60	10.33
38	24¼	Met. Wtr 3pc 'B'	33	+½	9.11	11.67

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
282	182	ANZ $A1	205	+2	Q28c	3.1	7.8	4.1
315	205	Alexanders D. £1.	288	+5	20.0	—	9.9	—
£90½	£48	Algemene Fl.100	£90		Q26%	ϕ	7.2	ϕ
116	75	Allied Irish	116		Q5.3%	4.8	8.9	3.6
164	77	Ansbacher (H.) 50p	77		3.5	—	6.5	—
290	200	Bk. Ireland £1	290		Q29.4%	—	9.2	—
3½	2	Bank Leumi	2½		—	—	—	—
227	130	Bk. Leumi (UK) £1	165xd		10.15	—	8.8	—

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا صدر الأصل

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	15½	Inter-City 20p	33	−3	—	—	—	—
197	150	Jackson Int Ser 20p	176	.....	4.0	2.8	3.3	24.4
210	145	Jacksons Bourne	185	+3	5.0	3.1	3.9	12.0
32	19	James Inds. 10p	27½	+½	1.25	1.9	6.5	11.5
180	105	Jardine M HK$5	138	−4	1092c	2.3	6.5	6.7
48	15	Jenks & Cattell	30	.....	21.0	—	4.8	—
308	187	Johnson Clrs.	308	.....	17.7	2.3	3.6	17.1
340	227	Johnson Mthy. £1	320	−5	10.0	2.9	4.5	(8.8)
286	98	Johnson-Grp. 10p	286	.....	4.0	6.2	2.0	11.4
102	64	Jourdan (T.) 10p	98	.....	5.6	♦	8.5	♦
48	35	Kalamazoo 10p	43	.....	2.5	0.9	9.0	17.7
212	135	Kelsey Inds.	210	.....	8.0	1.7	5.4	14.5
310	110	Kershaw (A.) 5p	130	.....	15.0	0.6	16.5	(8.6)
55	36	Kleen-E-Ze Hldgs.	48	.....	3.0	0.2	8.9	—
66½	42½	L.C.P. Hlds.	63	−1	3.6	0.6	8.2	(9.0)
119	39½	L.R.C. Int. 10p	119	.....	3.1	2.0	3.7	20.1
24	16	Lamont Hldgs. 10p	23	.....	1.2	1.8	8.0	(8.1)
46	26	Lawtex	27	−1	—	—	—	—
480	277	Lep Group 10p	465	.....	17.5	1.7	6.2	(11.8)
57	22	Lilleshall 10p	25	.....	2.5	—	‡	—
700	39	Lon. & Liv. 10p	423	+1	12.45	2.4	0.8	61.6
117	78	London & Mid'd	117	.....	7.75	1.1	9.5	(9.0)
63	36	Lon. & Nthn. Grp.	61	+1	3.75	2.1	8.8	6.5
43	23	Lon. Priv. Health	37	.....	—	—	—	18.5
10	3½	Long Hmbly. 10p	7¾	.....	—	—	—	—
65	36	Longton Inds.	47	.....	1.0	—	3.0	—
195	55	Low & Bonar 50p	78	.....	7.0	0.6	12.8	(4.4)
27½	14	M.Y. Dart. 10p	19	−½	1.21	—	‡	—
242	105	M'c'rthy Ph. 20p	157	.....	7.0	2.5	6.4	7.8
146	48	Macfarlane Gp.	146	.....	3.2	2.5	3.1	16.6
49	28	Maclellan 20p	45	−1	d1.43	1.4	4.5	(9.8)
86	40	Macpherson (D.)	58	.....	4.2	0.6	10.3	(9.3)
62	41	Magnolia Group	51	.....	2.3	3.9	6.4	5.2
152	57	Man. Ship Can. £1	147	.....	3.5	6.8	3.5	4.4
73	35	Marley	69xd	−2	2.5	♦	5.2	♦
51	29	Marling Ind. 10p	37	.....	1.08	6.7	4.2	5.0
49	25	Marshall L'sy. 'A'	25	.....	2.8	2.9	16.0	(4.8)
88	44	Marshall's Univ	54	.....	0.1	—	0.3	—
37	21½	Martin-Black	26	.....	—	—	—	—

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr
18½	13	GRA Group 5p	16	.....	—	—
62	32	Grampian TV'A' 10p	49	.....	13.25	3.0
172	107	HTV Non/Vtg.	160	−3	11.0	2.0
234	139	Horizon	180	−5	3.6	♦
151	90½	Intasun 10p	126	−1	3.5	4.1
182	112	LWT "A"	161	.....	11.08	1.1
263	116	Leisure Inds.	263	.....	6.0	3.0
152	64	Leisuretime Int 10p	145	.....	1.54	♦
132	80	Mngmt. Ag. M. 10p	110	.....	8.75	1.0
67	54	Medminster 10p	60	.....	4.0	0.1
275	82	Mansio Int 20c	82	−3	—	—
85	33	Norton & Wrt. 10p	85	.....	2.0	0.5
28	14	Owners Abroad	27½	+½	0.35	4.1
65	41	Photax (Lon.)	41	.....	3.5	3.0
153	80	Pleasurama 5p	122	.....	1.5	2.7
570	149	Pleasurama 5p	568	.....	7.5	4.5
133	88	Radio City 'A' NV	132	.....	5.6	1.1
163	82½	Riley Leisure 10p	161	−2	4.1	1.7
179	84	Saga Hols. 20p	93	.....	3.73	—
445	125	Samuelson 20p	429	+10	d12.0	2.0
107	76	Scott. TV 'A' 10p	100	.....	7.0	3.1
70	21	SelecTV 10p	51	−2	—	—
10	13	TSW 5p	15½	.....	0.9	3.1
52	28	TVS N/Vtg 10p	34	.....	—	—
100	55	Trid'nt TV 'A' 10p	93	+3	4.26	1.4
215	92	21st Century Dec	145	.....	—	—
27½	15	Webb (Jos.) 5p	18	.....	0.51	0.1
93	69	Zetters 5p	80xd	.....	2.75	2.9

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr
36	12	B.L. 50p	34	.....	—	—
70	38	Coleman Milne 10p	70	+2	1.5	3.2
208	93	Gen. Mtrs. Units	200	.....	012c	—
247	121	Honda Motor Y50	241	−4	022%	0.4

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh 50c	250	.....	Q25c	10.3	7.0
33	16	Wankie Col. Z$1	16	−1	†Q3c	1.2	12.8

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 33

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Increased tension within the EMS

The French and Belgian francs came under renewed pressure within the European Monetary System yesterday ahead of the weekend despite recent defensive measures and yesterday's reduction in several leading European discount rates.

Sterling was slightly firmer overall but softened in late trading on increased dollar demand. The dollar remained underpinned by firm U.S. interest rates.

DOLLAR — Trade weighted index (Bank of England) 120.6 against 122.1 six months ago. The dollar has shown renewed strength as a safe haven for funds during a time of extreme uncertainty about the effects of falling oil prices on other currencies. U.S. interest rates have not fallen as sharply as once expected, partly because of the high level of Federal funding. These factors are tending to outweigh the present trade position and balance of payments deficit.

The dollar closed at DM 2.3870 from DM 2.3830 and SwFr 2.0575 compared with Sw Fr 2.0525. It was also higher in terms of the yen at Y239.0 from Y237.40 and FFr 6.9050 against FFr 6.8500.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5005. February average 1.5735. Trade-weighted index 79.4 against 79.3 at noon and 79.2 in the morning and compared with 79.3 on Wednesday and 91.6 six months ago. Sterling remains weak and vulnerable because of uncertainty about world oil prices. The pound is not particularly interest rate sensitive at the moment and has not reacted unfavourably to a cut in clearing banks' base rates, but fears continue to overhang the currency about a possible oil price war between Britain and Nigeria despite the recent Opec agreement.

The pound traded between $1.50 and $1.51, having traded for most of the time around $1.5065. Late demand for the dollar pushed sterling to a low of $1.50 where the Bank of England probably held the rate. It closed at $1.5015-1.5025, a fall of 60 points. Against the D-mark it finished at a record low of DM 3.5875 from DM 3.5950 and slipped to SwFr 3.0925 from SWFr 3.0950. It was firmer against the French franc however at FFr 10.37 from FFr 10.3250 and Y359.25 from Y358.0.

D-MARK — Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. February average 2.4260. Trade-weighted index 131.3 against 125.4 six months ago. A right of centre win in Germany's general election was largely anticipated by the market, as was the reduction in German interest rates, while pressures have grown on the weaker members of the EMS.

The D-mark was firm at the Frankfurt fixing, rising against most of its EMS partners, the dollar and sterling despite the reduction in the German central bank interest rates. The Irish punt rose to DM 3.3080 from DM 3.3070, compared with an EMS floor level of DM 3.3020, but although the French and Belgian francs remained above their lowest permitted levels they fell to DM 34.635 per 100 francs from DM 35.025, and to DM 5.0780 per 100 francs from DM 5.1150. The dollar weakened to DM 2.3784 from DM 2.3867 at the fixing, and sterling to DM 3.5800 from DM 3.5970.

ITALIAN LIRA—Trading range against the dollar in 1982-83 is 1,489.75 to 1,196.00. February average 1,379.86. Trade weighted index 52.1 against 53.5 six months ago. Italy's high inflation rate and economic problems are now coming to the fore as pressures mount within the EMS.

High interest rates kept the lira fairly steady within the EMS, although the general tone remained nervous on fears of a possible realignment of the system at the weekend. The D-mark rose to L598.66 from L594.65, and the Dutch guilder to L538.77 from L536. Outside the EMS the dollar rose to L1,423.55 from L1,419.55, and sterling to L2,142.50 from L2,139.80.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.5506	−0.93	+1.02	±1.5501
Danish Krone ...	8.23400	8.15304	−0.98	+0.97	±1.6430
German D-Mark	2.33379	2.26051	−3.14	−1.19	±1.0888
French Franc ...	6.61387	6.53384	−1.21	+0.74	±1.3940
Dutch Guilder ...	2.57971	2.50962	−2.72	−0.77	±1.5004
Irish Punt.........	0.691011	0.684515	−0.94	+1.01	±1.6691
Italian Lira	1350.27	1352.98	+0.20	+1.00	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Mar. 17	£	$		£ Note Rates
Argentina Peso..	93,432	64,120-64,170	Austria..........	95.05-95.35
Australia Dollar..	1.7830 1.7253	1.1447-1.1463	Belgium..........	74.90-75.65
Brazil Cruzeiro...	593 596	394.06-396.03	Denmark........	18.86-12.99
Finland Markka..	8.1082-8.1331	5.3690-5.3900	France...........	10.03-10.53
Greek Drachma..	124.289 187.391	83.90-84.10	Germany.........	3.56½-3.60½

ECU, CURRENCY MOVEMENTS, CURRENCY RATES, THE POUND SPOT AND FORWARD, THE DOLLAR SPOT AND FORWARD, EXCHANGE CROSS RATES

Dutch Guilder / Italian Lira 1,000	[illegible] / 0.466	[illegible] / 0.700	[illegible] / 1.678	[illegible] / 167.4	[illegible] / 4.659	[illegible] / 1.441	1. / 1.869	[illegible] / 1000.	[illegible] / 0.856	[illegible] / 32.83
Canadian Dollar / Belgian Franc 100	0.545 / 1.419	0.819 / 2.132	1.053 / 6.099	195.6 / 509.9	5.647 / 14.72	1.684 / 4.390	2.176 / 6.671	1169. / 3046.	1. / 2.607	38.36 / 100.

FINANCIAL FUTURES

Gilts firm

Gilt trading maintained an encouraging volume on the London International Financial Futures Exchange despite the thin level of cash trading yesterday. Cash prices were rather depressed in the early morning, reflecting the continued vulnerability of sterling on the foreign exchanges, and the June price opened 5/32 lower on Liffe at 104-06, which was very close to the lowest level of the day. But as cash prices improved the June contract rose to a peak of 104-128, encouraged by Bank of England intervention was regarded as an to the London money market very early in the day. Although the authorities did not change the official money market dealing rates, the unusually early intervention was regarded as an encouraging sign, and the futures market maintained a bullish undertone to close at 104-25 for June delivery, a rise of £½ on the day, helped by the later steadier performance of the pound, and lower European interest rates.

Prices in the short sterling interest rate contract showed an easier trend, on suggestions that present yields are too low in relation to interest rates on the London money market. June began 11 points lower at 90.19, and after recording a partial recovery to 90.27, closed 12 points easier at 90.18, despite good money supply figures for February.

Eurodollar trading was rather quiet and uneventful, reflecting the present high level of Federal funds and nervousness about the present Treasury funding programme. June opened 8 points down at 90.57, and after falling to a low of 90.54, closed at 90.55. Chicago opened in line with London values and also traded very quietly.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.55	90.58	90.54	90.63
Sept	90.33	90.38	90.33	90.43
Dec	90.14	90.22	90.20	90.28
March	90.06	—	—	90.19
June	—	—	—	—

Volume 1,104
Previous day's open int 3,515

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	76-05	76-12	76-00	76-07
June	75-14	75-22	75-22	75-17
Sept	74-29	75-04	74-23	74-31
Dec	74-14	74-21	74-09	74-17
March	74-01	74-07	73-29	74-05
June	73-22	73-30	73-22	73-27
Sept	73-13	73-20	73-13	73-18
Dec	73-05	73-12	73-05	73-10

JAPANESE YEN Y12.5m per Y100

	Close	High	Low	Prev
June	0.4227	0.4240	0.4218	0.4236
Sept	0.4259	—	—	0.4265
Dec	—	—	—	—

Volume 91
Previous day's open int 363

Sept	66-05	66-08	66-04	66-08
Dec	65-26	65-29	65-26	65-27
March	65-17	65-20	65-17	65-18
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

Perpetual U.T. Managem (Jersey) Ltd
PO Box 459, St Helier Jersey. 0534 74517
OffshrGwth $0.999 1.053 2.00
Rothschild Asset Management (C.I.)
51 Julian's Ct. St Peter Pt. Guernsey. 0481 26741
OC International Reserves Ltd
Bel Frs BFr820.50 +0.310 14.04
Canadian $ C$15.61 +0.018 7.63
D-Mark DM49.87 +0.010 4.29

Tyndall-Guardian Management Ltd.
PO Box 1256, Hamilton, Bermuda.
T-G Am $21.79
T-G Money $20.60
T-G F'bond $15.56
T-G Com $22.59
T-G Mort C$10.62
T-G O'seas $10.64
T-G Pacific Y1.662
T-G Wall St $22.58

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St. W1. 629 6176. A CENTURY OF PRINT PUBLISHING 1817-1917: A selection of prints published by Agnew. Until 29 April. Mon-Fri 9.30-5.30.

AGNEW GALLERY, 43 Old Bond St., W1. 01-629 6176. DAVID ROBERTS, R.A., Original Coloured Lithographs of the Holy Land. Until 31 March. Mon.-Fri. 9.30-5.30.

BROWSE & DARBY, 19 Cork St., W1. 01-734 7984. FRENCH & BRITISH Paintings, Drawings & Sculpture

FIELDBORNE, 63 Queens Grove, NW8. 01-586 3600. HARPIST LASSALE AMERICAN JOURNEY.

LEFEVRE GALLERY, 30 Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

LUMLEY CAZALET, 24 Davies St., W1. 499 5058. ORIGINAL PRINTS by Braque, Matisse, Miro, Picasso, etc.

WHITECHAPEL ART GALLERY, E1. 01-377 0107. Tube Aldgate East. To 10 April WHITECHAPEL OPEN EXHIBITION. Sun.-Fri. 11-5.50. Cl. Sat. Free.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 01-734 0557.

RAMON'S NIGHTCLUB RESTAURANT, 42 Dean Street, W1. Where today's businessman can relax and enjoy an exciting evening. Various cabaret spots throughout. Charming and discreet dancing partners available. Open nightly 9 pm to 3 am. Tel: 01-437 9455.

MONEY MARKETS

Bank moves to relieve shortage

UK clearing bank base lending rate 11 per cent
(since January 12 and 13)

The Bank of England invited an early round of bill offers in the London money market yesterday in a novel move to tackle an estimated £900m shortage of credit. This resulted in purchases of £144m of bills comprising £23m of eligible bank bills in band 1 (up to 14 days) at 10 7/16 per cent and £110m in band 2 (15-33 days) at 10½ per cent and in band 4 (64-91 days) it bought £11m of Treasury bills at 10⅜ per cent. Later in the morning it gave a further £566m of help of which outright purchases comprised £24m of eligible bank bills in band 1 at 10 7/16 per cent, £2m in band 2 at 10⅜ per cent and in band 3 (34-63 days) £9m of local authority bills and £31m of eligible bank bills all at 10⅜ per cent. The Bank also arranged sale and repurchase agreements on £500m of bills at 10½-10 9/16 per cent, unwinding on April 18.

Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills—£597m and the unwinding of previous sale and repurchase agreements—£600m. There was also a net take up of temporary facilities of £7m at an average mid-market rate of 10 7/16 per cent. On the other hand Exchequer transactions added £260m to the system.

The shortage was later revised to around £950m and the Bank gave assistance in the afternoon of £220m, making a grand total of £930m. The afternoon help comprised purchases of £41m of eligible bank bills in band 1 at 10 7/16 per cent, £71m in band 2 at 10⅜ per cent, £107m in band 3 at 10⅜ per cent and £1m of local authority bills in band 4 at 10¼ per cent.

In Frankfurt the Bundesbank cut its discount rate to 4 per cent from 5 per cent and its Lombard rate to 5 per cent from 6 per cent after yesterday's meeting of the central council. This was the limit of most expectations with earlier predictions ranging from a cut of half a point to no cut at all. Apart from helping to ease pressure a little within the EMS, yesterday's move prompted the Austrian central bank to cut its discount and Lombard rates by one point to 3¾ per cent and 4¾ per cent respectively and also the Swiss discount rate to 4 per cent from 4½ per cent and Lombard rate to 5½ per cent from 6 per cent. At the same time officials from the Bundesbank refused to entertain the need for a mark revaluation within the EMS. Other measures announced included a reduction by DM 5bn in commercial banks' rediscount quotas. This reflected a considerable easing of short-term liquidity, reflecting recent intervention by the Bundesbank to support weaker members of the EMS. Later in the day the Dutch central bank cut its discount rate to 3½ per cent from 4 per cent and the rate on secured loans to 4 per cent from 4½ per cent.

LONDON MONEY RATES

Mar. 17 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight..	—	1-11¼	—	—	—	7-11½	0½-10⅞	—	—	—
2 days notice .	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛	—	—	—	—

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

MONEY RATES

FT LONDON INTERBANK FIXING
(11.00 a.m. MARCH 17)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 1/4	offer 9 3/8	bid 9 3/8	offer 9 1/2

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday March 16 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan.........	Afghani (O)	50.50	Grenada...	E. Caribbean $	2.70	Peru.....................	Sol	1100.20
Albania...............	Lek	5.6996	Guadaloupe	Franc	6.81	Philippines	Peso	0.587
Algeria	Dinar	4.647	Guam..................	U.S. $	1.00	Pitcairn Is...........	N.Z. Dollar	1.5216
	(Fr. Franc	6.81	Guatemala	Quetzal	1.00	Poland	Zloty (O)	86.85